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GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

AND

HALL COUNTY, GEORGIA
Georgia, Hall County, Clerk Superior Court
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DWAYNE S. WOOD, CLERK, by: DW
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LEASE AGREEMENT

Dated as of February 1, 1998

The interest of the Gainesville and Hall County Development Authority ("Issuer") in this Lease Agreement has been assigned to Regions Bank, as escrow agent ("Escrow Agent"), pursuant to an Escrow Agreement, dated as of the date hereof between the Issuer and the Escrow Agent, and is subject to the security interest of the Escrow Agent.

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THIS LEASE AGREEMENT ("Lease"), dated as of February 1, 1998, is made between GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY (hereinafter referred to as the "Issuer"), as lessor, and the HALL COUNTY, GEORGIA (hereinafter referred to as the "County" or the "Lessee"), as lessee.

W I T N E S S E T H:

WHEREAS, pursuant to and in accordance with provisions of amendments to the Constitution of the State of Georgia (Ga. Laws 1964, page 866, et seq.; Georgia Laws 1986, page 4328, et seq.), duly ratified and proclaimed, and an act of the General Assembly of the State of Georgia (Ga. Laws 1964, page 2282, et seq.), as amended (collectively, the "Act"), by written resolution of the Issuer, and in furtherance of the purposes of the Act, Issuer proposes to undertake the acquisition, construction and installation of a certain Project (hereinafter defined) to be located in the Hall County, Georgia, and Issuer proposes to finance the cost of acquiring, constructing, installing and equipping the Project by the issuance of its Revenue Bond (District Health Office Project), Series 1998, in the principal amount of \$1,650,000 (the "Bond"); and

WHEREAS, Issuer proposes to lease the Project to the Lessee and the Lessee desires to lease the Project from Issuer upon the terms and conditions as set forth herein;

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

"Act" means amendments to the Constitution of the State of Georgia (Ga. Laws 1964, page 866, et seq. and Ga. Laws 1986, page

4328, et seq.), duly ratified and proclaimed, and an act of the General Assembly of the State of Georgia (Ga. Laws 1964, page 2282, et seq.), as amended.

"Authorized Issuer Representative" means the person at the time designated to act on behalf of Issuer by written certificate furnished to Lessee and Escrow Agent containing the specimen signature of such person and signed on behalf of Issuer by its duly authorized agent. Such certificates may designate an alternate or alternates.

"Authorized Lessee Representative" means the person or persons at the time designated to act on behalf of Lessee by written certificate furnished to Issuer and Escrow Agent and containing the specimen signature of such person or persons and signed by Lessee. Such certificate may designate an alternate or alternates.

"Bond" means the Series 1998 Bond issued by Issuer pursuant to the Escrow Agreement.

"Building" means those certain buildings (and all furnishings and equipment located therein) and all other facilities and improvements forming a part of the Project which are located on the Project Land, as they may at any time exist.

"Business Day" means a day on which banking business is transacted in the city in which Escrow Agent has its principal office.

"County" means the Hall County, Georgia, a political subdivision and body corporate of the State of Georgia.

"Code" means the Internal Revenue Code of 1986, as amended.

"Escrow Agreement" means the Escrow Agreement, dated as of February 1, 1998, between Issuer and Regions Bnak, as Escrow Agent, which, among other things, authorizes the issuance of the Bond.

"Force Majeure" means, without limitation, acts of God; strikes, lockouts or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or any of their departments, agencies, or officials, or any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to

machinery; transmission pipes or canals; or any other cause or event not reasonably within the control of County. County agrees, however, to remedy with all reasonable dispatch the cause or causes preventing County from carrying out its agreement; provided, that the settlement of strikes, lockouts, and other industrial disturbances shall be entirely within the discretion of County, and County shall not be required to make settlement of strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of County unfavorable to County.

"Independent Counsel" means an attorney duly admitted to practice law before the highest court of the State who is not a full-time employee of Issuer or Lessee.

"Issuer" means the Gainesville and Hall County Development Authority, a public body corporate and politic and an instrumentality of the Hall County and the City of Gainesville, Georgia, duly organized and existing under the Constitution and laws of the State.

"Late Payment Rate" is the contract rate of interest on the Bond plus one percent (1%).

"Lease" means this Lease Agreement and any amendments or supplements hereto.

"Lease Term" means the duration of the leasehold estate created in this Lease as specified in Section 10.1 hereof.

"Lessee" means the County.

"Net Proceeds," when used with respect to any insurance proceeds from policies required by this Lease, means the amount remaining after deducting all expenses (including attorneys' fees) incurred in the collection of such proceeds from the gross proceeds thereof.

"Permitted Encumbrances" means, as of any particular time, (i) liens for taxes and assessments not then delinquent or which Issuer may, pursuant to the provisions of Section 5.4 hereof, permit to remain unpaid, (ii) the Escrow Agreement, this Lease and any financing statements naming Issuer or County as debtor and naming Escrow Agent or Issuer as secured party filed to perfect the security interests granted by this Agreement and the Escrow

Agreement, (iii) utility access and other easements and rights of way, restrictions and exceptions that Issuer Representative certifies will not interfere with or impair the Project, and (iv) such minor defects, irregularities, encumbrances and clouds on title as normally exist with respect to property similar in character to the Project and as do not, in the opinion of Independent Counsel, materially impair the property affected thereby for the purpose for which it was acquired or held by Issuer.

"Project" means the Project Land and the Building.

"Project Land" means the real estate described on Exhibit A to this Agreement on which the Building is to be situated.

"State" means the State of Georgia.

In addition, all words and phrases defined in Article I of the Escrow Agreement shall have the same meaning in this Lease.

ARTICLE II
REPRESENTATIONS

SECTION 2.1. Representations of the Lessee. The Lessee makes the following representations for the basis of the undertaking on its part herein contained:

(a) There exists a need in the County to encourage, promote and expand for the public good and welfare, industry and trade within the City of Gainesville and the County, and to reduce unemployment in the County to the greatest extent possible; and the acquisition, construction and installation of the Project as herein contemplated is a desirable method to meet the aforesaid need.

(b) The County has heretofore acquired the Project Land by purchase and has determined that the same is a suitable location for the acquisition, construction and installation of the Project, and that the accomplishment of the same would be in the best interest of the County and the inhabitants thereof and that the same will

achieve valid public purposes and will promote and expand industry and trade for the benefit of the County and the inhabitants thereof.

(c) The County has determined that the best method of accomplishing and financing the cost of the acquisition, construction and installation of the Project is for the same to be accomplished by the Issuer with the cooperation of the County in the manner herein provided.

(d) The County, as permitted by Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, has the power to contract for any period not exceeding fifty (50) years with the Issuer for the use by the County of the facilities or services of the Issuer and has the power to pledge its taxing power to the extent necessary to pay the amounts required to be paid under any such contract.

(e) Article IX, Section VI, Paragraph III of the Constitution of the State of Georgia provides that the promotion of industry and trade is a public purpose vital to the welfare of the people of the State of Georgia.

(f) Pursuant to the provisions of Article IX, Section III, Paragraph I of the Constitution of the State of Georgia, the County is authorized to convey the Project Land to the Issuer.

(g) As of sixty (60) days prior to November 27, 1996, the date of declaration of official intent to finance the Project, no contracts had been awarded or entered into and no purchase orders had been issued with respect to any components of the Project, none of said components had been acquired and no on-site or off-site construction, installation or fabrication had commenced with respect to any of said components.

(h) The County has the power to enter into this Lease Agreement and to perform all obligations contained herein and has, by proper action, duly authorized the execution and delivery of this Lease.

SECTION 2.2. Representations of the Issuer. The Issuer makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Issuer is a public body corporate and politic and an instrumentality of the City of Gainesville and Hall County, Georgia, created under the amendments to the Constitution of the State of Georgia and the Act of the General Assembly of Georgia hereinabove referred to for the purpose of promoting and expanding for the public good and welfare, industry and trade within the City of Gainesville and Hall County, Georgia and reducing unemployment to the greatest extent possible within the County.

(b) The Issuer has determined that the issuance of the Bond and the acquisition, construction and installation of the Project as contemplated herein is a lawful and valid public purpose in that it will further the public purposes for which the Issuer was created.

(c) The Issuer has the power to enter into this Lease Agreement and perform all obligations contained herein and has, by proper action of its members, been duly authorized to execute and deliver this Lease Agreement.

(d) The Issuer has found, determined and does hereby declare that the most feasible way to finance the cost of acquiring, constructing and installing the Project for use as herein contemplated and to achieve the public purposes hereinabove referred to is to issue the Bond and to pledge to the payment of the principal and interest thereof the rental payments which the Lessee has agreed to make to the Issuer pursuant to the provisions of Section 5.2 of this Lease.

ARTICLE III
DEMISING CLAUSE

Lessee hereby agrees to convey the Project Land to Issuer, and upon such conveyance Issuer hereby leases back to Lessee, and Lessee leases back from Issuer, the Project, subject only to Permitted Encumbrances, in accordance with the provisions of this Lease, to have and to hold for the Lease Term. Lessee warrants and covenants that it shall convey to Issuer good and marketable fee simple title to the Project Land free from any encumbrances other than Permitted Encumbrances.

ARTICLE IV
ACQUISITION, CONSTRUCTION, INSTALLATION
AND COMPLETION OF THE PROJECT; ISSUANCE OF THE BOND

SECTION 4.1. Agreement to Acquire, Construct, Equip and Install the Project. The Issuer authorizes the Lessee to make all contracts and do all things necessary for acquisition, construction and installation of the Project with all reasonable dispatch; and the Lessee shall use its best efforts to cause acquisition, construction, installation and occupancy of the Project to be completed by March 1, 1999, or as soon thereafter as may be practicable, delays excepted; but if for any reason such acquisition, construction and installation is not completed by said date there shall be no resulting liability on the part of Issuer and no diminution in or postponement of the payments required in Section 5.2 hereof to be paid by Lessee. The Lessee acknowledges that any portion of the Project which has already been acquired, constructed or installed was done so on behalf of the Issuer and in compliance with this Lease. The Project shall be the property of the Issuer and subject to the terms hereof.

The Issuer agrees that it will enter into, or accept the assignment of, such contracts as the Lessee may request in order to effectuate the purposes of this Section, but that it will not execute any other contract or give any order for the acquisition, construction or installation of the Project unless and until the

Project Supervisor (hereinafter designated) shall have approved the same in writing.

The Lessee hereby agrees that in order to effectuate the purposes of this Lease it will make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions with any other persons, firms or corporations and in general do all things which may be requisite or proper, all for acquiring, constructing and installing of the Project. So long as the Lessee is not in default under any of the provisions of this Lease, the Lessee shall have full power to carry out the acts and agreements provided in this Section 4.1 and such power is granted and conferred irrevocably by the Issuer to the Lessee, and is accepted by the Lessee, and shall not be terminated by act of the Issuer or of the Lessee.

SECTION 4.2. Agreement to Issue Bond; Application of Bond Proceeds. In order to provide funds for the payment of the cost of the acquisition, construction and installation called for in Section 4.1 (including capitalized interest), the Issuer agrees that as soon as possible it will authorize, validate, sell and cause to be delivered to the initial purchaser thereof, the Bond, bearing interest and maturing as set forth in Article II of the Escrow Agreement, at a price to be approved by the Lessee.

SECTION 4.3. Advances of the Proceeds of the Bond. The Issuer has in the Escrow Agreement authorized and directed the Bondholder to make Advances to pay the Costs of the Project, or to reimburse the County for any Cost of the Project paid by it, upon receipt of a requisition signed by the Authorized Authority (Issuer) Representative and the Authorized Lessee (County) Representative or (in lieu of the Authorized Lessee Representative) the Project Supervisor, for the purposes set forth in the Escrow Agreement.

In approving or certifying any requisition under Section 4.04 of the Escrow Agreement, the Issuer may rely as to the completeness and accuracy of all statements in such requisition upon the

approval of or certification to such requisition by the Authorized Lessee Representative and/or the Project Supervisor, as the case may be, and the Lessee hereby agrees to indemnify and save harmless the Issuer, its members, officers, agents and employees from any liability incurred in connection with any requisition so approved or certified.

The Issuer and the Lessee agree for the benefit of each other and for the benefit of the holder of the Bond that the proceeds of the Bond will not be used in any manner which would result in the loss of the exemption from Federal income taxation of the interest on the Bond.

SECTION 4.4. Furnishing Documents to Bondholder. Issuer and County agree to cause such requisitions to be directed by Issuer and County to the Bondholder as may be necessary to effect Advances in accordance with Section 4.3 hereof. The Bondholder shall retain a record of all such Advances and requisitions.

SECTION 4.5. Establishment of Completion Date. Completion Date shall be evidenced to the Issuer and the Bondholder by a certificate signed by the Authorized Lessee (County) Representative containing the statements provided in the Escrow Agreement and shall be delivered to the Bondholder. Forthwith upon completion of the acquisition, construction, equipping and installing of the Project, and upon payment of the final Advance, Lessee agrees to cause such certificate to be furnished to the Bondholder. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against third parties which exist at the date of such certificate of which may subsequently come into being.

SECTION 4.6. Lessee Required to Pay Project Costs if Bond Proceeds Insufficient. In the event the proceeds from the sale of the Bond should not be sufficient to pay the Costs of the Project in full, the Lessee agrees to complete the Project and to pay all that portion of the Costs of the Project as may be in excess of the

proceeds of the Bond. The Issuer does not make any warranty, either express or implied, that the proceeds of the Bond, which, under the provisions hereof, will be available for payment of the Costs of the Project, will be sufficient to pay all the costs which will be incurred in that connection. The Lessee agrees that if after exhaustion of the proceeds of the Bond the Lessee should pay any portion of the Costs of the Project pursuant to the provisions of this Section, it shall not be entitled to any reimbursement therefor from the Issuer or from the Escrow Agent or from the holder of the Bond, nor shall it be entitled to any diminution in or postponement or abatement of the payments payable under Section 5.2.

SECTION 4.7. Project Supervisor. Jim Shuler, Assistant County Administrator, is hereby designated as the Project Supervisor for the purpose of taking all actions and making all certificates required to be taken and made by the Project Supervisor under the provisions hereof. If the Project Supervisor should become unavailable or unable to take any action or make any certificate provided for herein, another Project Supervisor and/or an Alternate Project Supervisor shall thereupon be appointed by the Issuer pursuant to designation for that purpose made by the Lessee.

SECTION 4.8. Issuer to Pursue Remedies Against Suppliers, Contractors and Subcontractors and Their Sureties. At the direction and sole cost of the Lessee (to the extent that such cost is not payable and actually paid from the proceeds of the Bond), the Issuer will promptly proceed, either separately or in conjunction with others, to exhaust the remedies of the Issuer against any defaulting supplier, contractor or subcontractor and against any surety therefor, for the performance of any contract made in connection with the Project. If the Lessee shall so notify the Issuer, the Lessee may, in its own name or in the name of the Issuer, prosecute or defend any action or proceeding or take any other action involving any such supplier, contractor, subcontractor or surety which the Lessee deems reasonably necessary, and in such

event the Issuer agrees to cooperate fully with the Lessee and to take all action necessary, to the extent it might lawfully do so, to effect the substitution of the Lessee for the Issuer in any such action or proceeding. Any moneys recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid into the Bond Fund.

SECTION 4.9. Investment of Moneys Permitted. Any moneys held as a part of any fund shall be invested or reinvested by the Escrow Agent, to the extent permitted by law, at the request of and as directed by the Lessee (County) Representative, as provided in the Escrow Agreement.

SECTION 4.10. Obligations Relating to Bond. The Lessee agrees to perform all such obligations as are contemplated by the Escrow Agreement to be performed by the Lessee.

ARTICLE V

LEASE OF PROJECT TO LESSEE; RENTAL PROVISIONS

SECTION 5.1. Quiet Enjoyment. Issuer hereby covenants and agrees that it will not take any action, other than pursuant to Section 7.2 or Article IX of this Lease, to prevent Lessee from having quiet and peaceable possession and enjoyment of the Project during the Lease Term and will, at the request of Lessee, and at Lessee's cost, to the extent that it may lawfully do so, join in any legal action in which Lessee asserts its right to such possession and enjoyment.

SECTION 5.2. Rents and Other Amounts Payable.

(a) Lessee agrees to pay to Issuer as and for rental and for the use of the Project as follows: on each date on which principal of or interest on the Bond is payable, an amount sufficient when added to funds on hand at such time in the Bond Fund to pay the amount of principal, premium, if any, and interest required to be paid with respect to the Bond on such date.

(b) The Lessee agrees to pay to the Escrow Agent until the principal of and the interest on the Bond shall have been paid in full (i) an amount equal to the annual fee of the Escrow Agent for the Ordinary Services of the Escrow Agent rendered and its Ordinary Expenses incurred under the Escrow Agreement, (ii) the reasonable fees and charges of the Escrow Agent and any other paying agent for acting as paying agent and as Bond Registrar and the reasonable fees of Escrow Agent's Counsel as provided in the Escrow Agreement, as and when the same become due, and (iii) the reasonable fees and charges of the Escrow Agent for Extraordinary Services rendered by it and Extraordinary Expenses incurred by it, as and when the same become due; provided, that the Lessee may, without precipitating an event of default hereunder, withhold any such payment to contest in good faith the necessity for any such Extraordinary Services or Extraordinary Expenses and the reasonableness of any such fees, charges or expenses.

(c) In the event Lessee should fail to make any of the payments required in this Section 5.2, the item or installment so in default shall continue as an obligation of Lessee until the amount in default shall have been fully paid. The provisions of this Section 5.2 shall be subject to the provisions of Section 8.9.

SECTION 5.3. Payment of Rents. The payments provided in Section 5.2 hereof shall be remitted directly to the Escrow Agent for the benefit of the holder of the Bond and from said payments the Escrow Agent shall make timely payments into the Bond Fund in amounts sufficient to insure the prompt payment of the principal of, premium, if any, and interest on the Bond, all as provided in the Escrow Agreement. The Lessee covenants that it will exercise its power of taxation to the extent necessary to pay the amounts required to be paid hereunder and it will make available and use for the payment of its obligations incurred hereunder all such taxes levied and collected for that purpose together with funds received from any other source.

SECTION 5.4. Obligations of Lessee Hereunder Unconditional Rentals Assigned. Subject to the provisions of Section 8.9, the obligations of Lessee to make the payments required in Section 5.2 and other sections hereof and to perform and observe the other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of set-off, counterclaim or recoupment arising out of any breach by Issuer of any obligation to Lessee, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to Lessee by Issuer and until such time as the principal of, premium, if any, and interest on the Bond shall have been fully paid, Lessee (i) will not suspend or discontinue any payments provided for in Section 5.2 except to the extent the same have been prepaid, (ii) will perform and observe all other agreements contained in this Lease and (iii) except as provided in Section 10.1, will not terminate the Lease Term for any cause including, without limiting the generality of the foregoing, failure of Issuer to acquire the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, destruction of or damage to the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of Issuer to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Lease. Nothing contained in this Section shall be construed to release Issuer from the performance of any of the agreements on its part herein contained; and in the event Issuer should fail to perform any such agreement on its part, Lessee may institute such action against Issuer as Lessee may deem necessary to compel performance so long as such action does not abrogate the obligations of Lessee contained in the first sentence of this Section. Lessee may, however, at Lessee's own cost and expense and in Lessee's own name or in the name of Issuer, prosecute or defend any action or proceeding or take any other action involving third persons which Lessee deems reasonably necessary in order to secure or protect Lessee's right of possession and use hereunder, and in

such event Issuer hereby agrees to cooperate fully with Lessee and to take all action necessary to effect the substitution of Lessee for Issuer in any such action or proceeding if Lessee shall so request.

SECTION 5.5. Maintenance and Modification of Project by Lessee. Lessee agrees that at all times during the Lease Term, Lessee will, at Lessee's own expense, maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept in good repair, working order and condition, reasonable wear and tear excepted, and that Lessee will from time to time make or cause to be made all necessary and proper repairs, replacements and renewals. Issuer shall have no responsibility in any of these matters or for the making of improvements or additions to the Project.

In addition, the Lessee shall have the privilege of remodeling the Project or making substitutions, additions, modifications and improvements to the Project from time to time as the Lessee, in its discretion, may deem to be desirable for Lessee's use for such purposes as shall be permitted by the Act, the cost of which remodeling, substitutions, additions, modifications and improvements shall be paid by the Lessee, and the same shall be the property of Issuer and be included under the terms of this Lease as part of the Project; provided, however, that such remodeling, substitutions, additions, modifications and improvements shall not interfere with the construction of the Project or in any way damage the Project; and provided that the Project, as remodeled, improved or altered upon completion of such remodeling, substitutions, additions, modifications and improvements made pursuant to this Section, shall be of a value not less than the value of the Project immediately prior to the remodeling or making of such substitutions, additions, modifications and improvements. Any property for which a substitution or replacement is made pursuant to this Section may be disposed of by the Lessee in any manner and in the sole discretion of the Lessee. The Lessee will not permit any mechanic's or other lien to be established or remain against

the Project for labor or materials furnished in connection with any remodeling, substitutions, additions, modifications, improvements, repairs, renewals or replacements so made by the Lessee, provided that if the Lessee shall first notify Issuer of Lessee's intention so to do, Lessee may in good faith contest any mechanic's or other lien filed or established against the Project, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Issuer or the Bondholder shall notify Lessee that, in the opinion of their counsel, by nonpayment of any such items the lien of the Escrow Agreement as to the rentals and other amounts from the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event Lessee shall promptly pay and cause to be satisfied and discharged all such unpaid items or Lessee shall post bond or provide other surety to the extent necessary to adequately secure the Bondholder against loss due to such endangerment, loss or forfeiture. Issuer will cooperate fully with the Lessee in any such contest, upon the request and at the expense of the Lessee.

SECTION 5.6. Utility Charges. Lessee will pay during the Lease Term, as the same become due, all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project.

In the event that Lessee shall fail to pay any of the foregoing items required by this Section to be paid by Lessee (unless the Lessee is contesting any such item in good faith) Issuer may (but shall be under no obligation to) pay the same and any amounts so advanced therefor by Issuer shall become an additional obligation of Lessee to the party making the advancement, which amounts, together with interest thereon at the Late Payment Rate per annum, Lessee agrees to pay.

SECTION 5.7. Casualty and Other Insurance. Lessee agrees to insure or cause to be insured the Project against loss or damage of the kinds usually insured against by companies similarly situated,

by means of policies issued by reputable insurance companies duly qualified to do such business in the State with uniform standard form of extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at that time in use in the State, in amounts that are not less than full insurable value of the Project. The term "full insurable value" as used herein shall mean the actual replacement value, or at the option of the Lessee, any lesser amount which is equal to or greater than the amount of the principal amount of the Bond then outstanding. Alternatively, Lessee may insure or cause to be insured such property under a blanket insurance policy or policies which cover not only such property but other properties in the amounts required by the previous sentence.

Any insurance policy issued pursuant to the preceding paragraph of this Section shall be so written or endorsed as to make losses, if any, payable to Issuer, the Bondholder, and Lessee, as their respective interests may appear. The Net Proceeds of the insurance required in this Section shall be applied as provided in Section 6.2 hereof. Each insurance policy provided for in Sections 5.7 and 5.8 hereof shall contain a provision to the effect that the insurance company shall not cancel the policy or modify it materially and adversely to the interest of Issuer or the Bondholder without first giving written notice thereof to Issuer and Escrow Agent at least ten (10) days in advance of such cancellation or modification. All insurance policies issued pursuant to Section 5.8 or 5.9 hereof, or certificates evidencing such policies, shall be deposited with Issuer.

SECTION 5.8. Public Liability Insurance. Lessee agrees to carry or cause to be carried public liability insurance with respect to the Project with one or more reputable insurance companies in minimum amounts of \$500,000 for the death of or personal injury to one person and \$1,000,000 for personal injury or death for each occurrence in connection with the Project and \$500,000 for property damage for any occurrence in connection with the Project. Issuer and Escrow Agent shall be made additional

insurers under such policies or such policies may provide that all of the lessors of and owners of property leased by Lessee are insured in lieu of naming Issuer specifically. The insurance provided by this Section may be a blanket insurance policy or policies.

SECTION 5.9. Workmen's Compensation Coverage. At all times from the date hereof until the end of the Lease Term, Lessee shall maintain workmen's compensation coverage or cause the same to be maintained to the extent, if any, required by law of the State.

SECTION 5.10. Advances. In the event Lessee shall fail to maintain the full insurance coverage required by this Lease or shall fail to keep the Project in good repair and operating condition, Issuer may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or may make such repairs or replacements as are necessary and provide for payment thereof; and all amounts so advanced therefor by Issuer shall become an additional obligation of the Lessee to Issuer, which amounts, together with interest thereon at the Late Payment Rate per annum, Lessee agrees to pay.

ARTICLE VI

DAMAGE AND DESTRUCTION; USE OF NET PROCEEDS

SECTION 6.1. Damage and Destruction. Unless Issuer shall have exercised its option to prepay the Bond pursuant to the provisions of Section 3.01 of the Escrow Agreement, if prior to full payment of the Bond the Project or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty, Lessee shall be obligated to continue to pay the amounts specified in Section 5.2 hereof.

SECTION 6.2. Application of Net Proceeds. Unless the Lessee shall have elected to exercise its option to terminate the Lease Term under Section 10.1 and shall have purchased the Project

pursuant to Section 10.2, if prior to payment in full of the Bond the Project is damaged by fire or other casualty to such extent that the claim for loss (including any deductible amount pertaining thereto) resulting from such damage is not greater than \$100,000, the Lessee, or the Issuer at the Lessee's direction,

(a) shall promptly replace, repair, rebuild or restore the property damaged to substantially the same condition as existed prior to the event causing such damage, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair the operating unity or productive capacity of the Project or change its character to such an extent that its ownership by the Issuer would not be permitted under the laws pursuant to which the Issuer exists, and

(b) shall apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Lessee necessary therefor.

All Net Proceeds of insurance resulting from claims for such losses not in excess of the amount hereinabove specified in this paragraph and not used to pay expenses incurred under (a) above shall be paid into the Bond Fund. If payment in full of the Bond has been made, all Net Proceeds shall be paid to the Lessee.

Unless the Lessee shall have elected to exercise its option to terminate the Lease Term under Section 10.1 and shall have purchased the Project pursuant to Section 10.2, if prior to payment in full of the Bond the Project is destroyed (in whole or in part) or is damaged by fire or other casualty to such extent that the claim for loss resulting from such destruction or damage is in excess of the amount hereinabove specified, the Lessee shall promptly give written notice thereof to the Escrow Agent. In such an event all Net Proceeds of insurance resulting from claims for such losses shall be paid to and held by the Escrow Agent in a trust account and invested in securities of the type referred to in Section 6.02 of the Escrow Agreement, whereupon (1) the Lessee, or

the Issuer at the Lessee's direction, shall proceed promptly to replace, repair, rebuild, or restore the property damaged or destroyed to substantially the same condition as existed prior to the event causing such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair operating unity or productive capacity of the Project or change its character to such an extent that its ownership by the Issuer would not be permitted under the laws pursuant to which the Issuer then exists, and (ii) the Escrow Agent shall apply so much as may be necessary of the Net Proceeds of such insurance to the payment of the costs of such replacement, repair, rebuilding or restoration, as directed by the Lessee. Each such direction of the Lessee shall be accompanied by a certificate of an architect or engineer (who shall be selected by the Lessee and satisfactory to the Escrow Agent) in charge of the replacement, repair, rebuilding or restoration, dated not more than thirty (30) days prior to such direction, setting forth in substance that (A) the sum then directed to be applied either has been paid by the Lessee, or is justly due, to contractors, subcontractors, materialmen, engineers, architects or other persons who shall have rendered services or furnished materials or improvements for the replacement, repair, rebuilding or restoration therein specified; the names of such persons; a brief description of such services or materials or improvements and the several amounts so paid or due to each of such persons; and, a statement that none of the costs of the services or materials or improvements described in such certificate has been or is being made the basis, in any previous or then pending direction, for payment under this Section and that the sum then directed to be applied does not exceed the value of the services or materials or improvements described in the certificate, and (B) except for the amount, if any, stated (pursuant to (A) preceding) in such certificate to be due for services or materials or improvements, there is not outstanding any indebtedness known to the persons signing such certificate which is then due for labor, services, material, supplies and/or equipment in connection with

the replacement, repair, rebuilding or restoration which, if unpaid, might become the basis of mechanics', materialmen's, suppliers' and vendors' liens or other similar liens (other than those being contested in good faith as permitted in Section 5.4) upon the Project or any part thereof.

The Escrow Agent may conclusively rely upon such direction and shall have no liability or responsibility for payments made pursuant to this Section in reliance thereon. If said Net Proceeds are not sufficient to pay in full the costs of such replacement, repair, rebuilding or restoration, the Lessee shall nonetheless complete the same and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds or shall advance to the Issuer and the Escrow Agent the moneys necessary to complete said replacement, repair, rebuilding or restoration, in which case the Issuer shall proceed so to complete the replacement, repair, rebuilding or restoration. The Lessee shall not, by reason of the payment of such excess costs (whether by direct payment thereof or advances to the Issuer or Escrow Agent), be entitled to any reimbursement from the Issuer or any diminution in or postponement or abatement of the rents payable under Section 5.2.

Any balance of said Net Proceeds remaining after payment of all the costs of such replacement, repair, rebuilding or restoration shall be paid into the Bond Fund. If payment in full of the Bond has been made, all Net Proceeds shall be paid to the Lessee.

SECTION 6.3. Cooperation of Lessee. Issuer shall cooperate fully with Lessee at the expense of Lessee in filing any proof of loss with respect to any insurance policy covering the casualties described in Section 6.1 hereof and will, to the extent it may lawfully do so, permit Lessee to litigate in any proceeding resulting therefrom in the name of and on behalf of Issuer. In no event will Issuer voluntarily settle, or consent to the settlement of, any proceeding arising out of any insurance claim with respect to the Project or any part thereof without the written consent of Authorized Lessee Representative.

ARTICLE VII
SPECIAL COVENANTS

SECTION 7.1. No Warranty of Condition or Suitability by Issuer. Issuer makes no warranty, either express or implied, as to the Project or the condition thereof, or that the Project will be suitable for the purposes or needs of the Lessee.

SECTION 7.2. Inspection of the Project. Lessee agrees that Issuer and its duly authorized agents shall have the right at all reasonable times during business hours of Lessee to enter upon the Project Land and to examine and inspect the Project. Lessee further agrees that Issuer and its duly authorized agents shall have such rights of access to the Project as may be reasonably necessary to cause to be completed the acquisition, construction and installation provided for in Section 4.1 hereof, and thereafter for the proper maintenance of the Project in the event of failure by Lessee to perform its obligations under Section 5.5 hereof. Issuer and its duly authorized agents shall also be permitted, at all reasonable times during business hours of Lessee, to examine the books, records, reports and other papers of Lessee with respect to the Project.

SECTION 7.3. Further Assurances and Corrective Instruments. Issuer and Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may be reasonably required for correcting any inadequate or incorrect description of the Project hereby leased or intended so to be for carrying out the expressed intention of this Lease.

SECTION 7.4. Issuer and Lessee Representatives. Whenever under the provisions of this Lease the approval of Issuer or Lessee is required or Issuer or Lessee is required to take some action at the request of the other, such approval or such request shall be given for Issuer by the Authorized Issuer Representative and for

Lessee by Authorized Lessee (County) Representative and any party hereto shall be authorized to act on any such approval or request.

SECTION 7.5. Arbitrage Covenant. The Lessee covenants and agrees with the Issuer for the benefit of the holder of the Bond that it will not permit any of the Bond proceeds to be invested in such a manner which would cause the Bond to be an "arbitrage bond" within the meaning of Section 148 of the Code and applicable regulations proposed or promulgated thereunder as of the date of such investment. The Lessee covenants and agrees to comply with all of the requirements of Code Section 148(f) and in particular agrees to pay to the United States any arbitrage rebate amounts or penalties required to be paid pursuant to Code Section 148(f) at the times and in the amounts as required by Code Section 148(f) and the regulations thereunder. The Lessee covenants not to make or permit the use of, nor direct the Escrow Agent to make any investment of, any proceeds of the Bond which, if such use or investment had been reasonably expected on the date of issuance of the Bond, would have caused the Bond to be an "arbitrage" bond within the meaning of Section 148 of the Code, as amended, and applicable regulations.

SECTION 7.6. Granting of Easements. If no event of default shall have happened and be continuing, after obtaining the written consent of Issuer, Lessee may at any time or times, subject to its leasehold interest, grant easements, licenses, rights of way (including the dedication of public highways) and other rights or privileges in the nature of easements with respect to the Project Land, or Lessee may, after obtaining the written consent of Issuer, release existing easements, licenses, rights of way and other rights and privileges with or without consideration, and Lessee agrees that it shall execute and deliver and will cause and direct execution and delivery of any instrument necessary or appropriate to confirm and grant or release any such easement, license, right of way or other grant or privilege upon receipt of: (1) a copy of the instrument of grant or release, (2) a written application

signed by Authorized Lessee Representative requesting such instrument and stating (i) that such grant or release is not detrimental to the proper conduct of the business of Lessee, and (ii) that such grant or release will not impair the effective use or interfere with the operation of the Project and (3) an opinion of Lessee's counsel that such grant or release will not materially weaken, diminish or impair the security afforded by or under the Escrow Agreement.

SECTION 7.7. Release of Certain Land. Notwithstanding any other provisions of this Lease, the parties hereto reserve the right, at any time and from time to time, to amend this Lease for the purpose of effecting the release of and removal from this Lease and the leasehold estate created hereby of (i) any unimproved part of the Project Land (on which no part of the Building or other building or equipment owned by Issuer and essential to the continued operation of the Project is situated) or (ii) any part of the Project Land with respect to which Issuer would propose to convey fee title to a railroad, public utility or public body in order that railroad service, utility services or roads may be provided for the Project.

ARTICLE VIII
ASSIGNMENT, SUBLEASING, INDEMNIFICATION, MORTGAGING
AND SELLING

SECTION 8.1. Assignment and Subleasing. This Lease may not be assigned by Lessee without the prior written consent of Issuer and Escrow Agent. The Project may be subleased by the Lessee; however, any such sublease shall be subject to each of the following conditions:

- (a) No sublease shall relieve the Lessee from primary liability for any obligations hereunder, and in the event of any such sublease, Lessee shall continue to remain primarily liable for payment of the amounts specified in Section 5.2 hereof and for performance and observance of

the other agreements on its part herein provided to be performed and observed by Lessee to the same extent as though no sublease had been made.

(b) Lessee shall, upon the request by Issuer or Escrow Agent, furnish or cause to be furnished to Issuer and the Escrow Agent a true and complete copy of each sublease, as the case may be.

Consent by the Issuer and Escrow Agent to one or more assignments shall not operate as a waiver of the obligation of obtaining their consent to any subsequent assignment.

SECTION 8.2. Release and Indemnification Covenants. Lessee shall and hereby agrees to indemnify and save Issuer and the Escrow Agent harmless against and from all claims by or on behalf of any person, firm, corporation or other legal entity arising from the conduct or management of, or from any work or thing done on, the Project, during the Lease Term from (i) any condition of the Project, (ii) any breach or default on the part of Lessee in the performance of any of its obligations under this Lease, (iii) any act or negligence of Lessee or of any of its agents, contractors, servants, employees or licensees or (iv) any act or negligence of any assignee or sublessee of Lessee, or of any agents, contractors, servants, employees or licensees of any assignees or sublessees of Lessee. Lessee shall indemnify and save Issuer and the Escrow Agent harmless from any such claim arising as aforesaid from (i), (ii), (iii) or (iv) above, or in connection with any action or proceeding brought thereon, and upon notice from Issuer or Escrow Agent, Lessee shall defend them or any of them in any such action or proceeding.

SECTION 8.3. Assignment of Rents. Issuer shall assign its right, title and interest in, and all rents, payments and revenues under, this Lease to the Escrow Agent by the Escrow Agreement as security for payment of the amounts payable under the Bond. This Lease shall be subject and subordinate to the Escrow Agreement.

SECTION 8.4. Restrictions on Mortgage or Sale of Property by Issuer. Issuer agrees that, except for any assignment or pledge of its interest in the rentals hereunder to the Escrow Agent pursuant to the Escrow Agreement, Issuer will not mortgage, sell, assign, transfer or convey the Project or any portion thereof during the Lease Term.

SECTION 8.5. Installation of Lessee's Own Machinery. Lessee may, from time to time in its sole discretion and at its own expense, install machinery, equipment and other tangible property in the Project or on the Project Land. All such machinery, equipment and other tangible property shall remain the sole property of the Lessee in which Issuer shall have no interest.

SECTION 8.6. References to Bond Ineffective After Bond Paid. Upon payment in full of the Bond and all fees and charges of the Escrow Agent, all references in this Lease to the Bond and holder of the Bond and Escrow Agent shall be ineffective and neither the holder of the Bond nor Escrow Agent shall thereafter have any further rights hereunder, saving and excepting those that shall have theretofore vested.

SECTION 8.7. Redemption of Bond. The Issuer or the Escrow Agent, at the request at any time of the Lessee and if the same is then redeemable, shall forthwith take all steps that may be necessary under the applicable redemption provisions of the Escrow Agreement to effect redemption of all or any portion of the Bond, as may be specified by the Lessee, on the earliest applicable redemption date on which such redemption may be made under such applicable provisions. As long as the Lessee is not in default hereunder and the Issuer is not obligated to call the Bond pursuant to the terms of the Escrow Agreement, neither the Issuer nor the Escrow Agent shall redeem the Bond prior to its stated maturity unless requested to do so in writing by the Lessee.

SECTION 8.8. Prepayment of Rents. There is expressly reserved to the Lessee the right, and the Lessee is authorized and permitted, at any time it may choose, so long as it is not in default hereunder, to prepay all or any part of the rents payable under Section 5.2, and the Issuer agrees that the Escrow Agent may accept such prepayment when the same is tendered by the Lessee. All prepaid rents shall be credited on the rents specified in Section 5.2 in the chronological order of their due dates, or at the election of the Lessee shall be used for the redemption or purchase of Bond in the manner and to the extent provided in the Escrow Agreement.

SECTION 8.9. Rent Abatements If Bond Paid Prior to Maturity. If at any time the moneys in the Bond Fund are sufficient to retire, in accordance with the terms of the Escrow Agreement, the Bond and to pay all fees and charges of the Escrow Agent due or to become due through the date on which the Bond is to be retired, under circumstances not resulting in termination of the Lease Term, and if the Lessee is not at the time otherwise in default hereunder, the Lessee shall be entitled to use of the Project from the date on which such moneys are in the Bond Fund to and including midnight on March 1, 2014, without the payment of rent during that interval (but otherwise on the terms and conditions hereof).

ARTICLE IX
EVENTS OF DEFAULT AND REMEDIES

SECTION 9.1. Events of Default Defined. The following shall be "events of default" under this Lease and the terms "event of default" and "default" shall mean, whenever they are used in this Lease, any one or more of the following events:

- (a) Failure by Lessee to pay the rent required to be paid under Section 5.2 hereof at the time specified therein;
- (b) Failure by Lessee to observe and perform any covenant, condition or agreement on its part to be

observed or performed, other than as referred to in subsection (a) of this Section, for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, given to Lessee by Issuer, unless Issuer shall agree in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, Issuer will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by Lessee within the applicable period and diligently pursued until the default is corrected.

The foregoing provisions of subsection (b) of this Section are subject to the foregoing limitations: if by reason of Force Majeure Lessee is unable in whole or in part to carry out its agreement on its part herein contained, other than the obligations on the part of the Lessee contained in Article V hereof, Lessee shall not be deemed in default during the continuance of such inability.

SECTION 9.2. Remedies on Default. Whenever any event of default referred to in Section 9.1 hereof shall have happened and be continuing, Issuer may take one or any combination of the following remedial steps:

(a) Declare all installments of rent payable under Section 5.2 for the remainder of the Lease Term to be immediately due and payable, whereupon the same shall become immediately due and payable. If the Issuer elects to exercise the remedy afforded in this subsection (a) and accelerates all rents payable under Section 5.2 for the remainder of the Lease Term, the amount then due and payable by the Lessee as accelerated rents shall be the sum of (i) the principal amount of the Bond then outstanding, and (ii) all interest on the Bond then due and to become due to maturity whether by acceleration or otherwise. Such sums as may then become payable shall be

paid into the Bond Fund and after the Bond and accrued interest thereon have been fully paid and any costs occasioned by such event of default have been satisfied, any excess moneys in the Bond Fund shall be returned to the Lessee as an overpayment of rents;

}}

(b) Re-enter and take possession of the Project, enforcing the Lease or terminating the Lease, and sell or lease the Project or sublease it for the account of Lessee, holding Lessee liable for all rent and other payments due up to the effective date of such selling, leasing, or subleasing and for the difference in the purchase price, rent and other amounts paid by the purchaser, lessee or sublessee pursuant to such sale, lease or sublease and the rents and other amounts payable by Lessee hereunder;

(c) Have reasonable access to inspect, examine and make copies of the books and records of Lessee pertaining to the Project during regular business hours of Lessee if reasonably necessary in the opinion of Issuer; or

(d) Take whatever action at law or in equity may appear necessary or desirable to collect the rent then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of Lessee under this Lease.

SECTION 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to Issuer is intended to be exclusive of any other 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 or now or hereafter existing at law or in equity. 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 and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Issuer to exercise any remedy reserved to it in this Article, it shall not be necessary to give

any notice, other than such notice as may be required in this Article.

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SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event Lessee should default under any of the provisions of this Lease and Issuer should employ attorneys or incur other expenses for the collection of rent or the enforcement or performance or observance of any obligation or agreement on the part of Lessee herein contained, Lessee agrees that it will on demand therefor pay to Issuer the reasonable fees of such attorneys and such other reasonable expenses so incurred by Issuer.

SECTION 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Lease should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE X

OPTIONS IN FAVOR OF LESSEE; OBLIGATION TO PURCHASE

SECTION 10.1. Options to Terminate the Lease Term. The Lessee shall have the following options to terminate the Lease Term:

(a) before payment in full of the Bond, the Lessee may terminate the Lease Term by giving the Issuer notice in writing of such termination and by paying to the Escrow Agent an amount of money which, when added to the moneys in the Bond Fund, will be sufficient to pay, retire and redeem the Bond in accordance with the provisions of the Escrow Agreement (including, without limiting the generality of the foregoing, principal, interest to maturity or earliest applicable redemption date, as the case may be, redemption premium (if any), expenses of redemption and the Escrow Agent's and paying agent's fees and expenses), and, in case of redemption, making

arrangements satisfactory to the Escrow Agent for the giving of the required notice of redemption; or
(b) after payment in full of the Bond, the Lessee may terminate the Lease Term by giving the Issuer notice in writing of such termination and such termination shall forthwith become effective.

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SECTION 10.2. Obligation to Purchase Project. The Lessee agrees to purchase, and the Issuer agrees to sell, the Project for Ten Dollars (\$10.00) at the expiration or sooner termination of the Lease Term following payment in full of the Bond. The obligation specified in this Section shall be and remain prior and superior to the Escrow Agreement and may be exercised whether or not there exists an event of default hereunder provided that the existence of such event of default will not result in nonfulfillment of any condition to this obligation.

SECTION 10.3. Conveyance on Purchase. At the closing of the purchase pursuant to Section 10.2, the Issuer will upon receipt of the purchase price deliver to the Lessee the following:

- (a) if at the time the Escrow Agreement has not been satisfied in full, a release by the Escrow Agent from the lien or security interest of the Escrow Agreement in the property with respect to which such purchase is being consummated; and
- (b) documents conveying to the Lessee good and marketable fee simple title in and to the property with respect to which such purchase is being consummated, as such property then exists, subject to the following: (i) those liens, security interests and encumbrances (if any) to which such title in and to said property was subject when conveyed to the Issuer, (ii) those liens, security interests and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented, (iii) those liens, security interests and encumbrances resulting from the failure of the Lessee to perform or

observe any of its agreements contained herein, and (iv) Permitted Encumbrances other than the Escrow Agreement:

ARTICLE XI
MISCELLANEOUS

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SECTION 11.1. Lease Term. This Agreement shall become effective upon its execution and delivery and the leasehold interest created hereby shall then begin, and, subject to the other provision hereof (including particularly Article X), shall expire at midnight on March 1, 2014, or if at said time and on said date the Bond has not been paid in full, then on such date as such payment shall have been made.

SECTION 11.2. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows:

- (a) If to the Issuer: Gainesville and Hall County
Development Authority
P.O. Box 3280
Gainesville, Georgia 30503
Attention: Chairman
- (b) If to the County: Hall County, Georgia
P.O. Drawer 1435
Gainesville, Georgia 30503
Attention: Finance Director
- (c) If to the Escrow Agent: Regions Bank
P. O. Drawer 937
Gainesville, Georgia 30503
Attention: Corporate Banking Dept.

Issuer, Escrow Agent and Lessee may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 11.3. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Issuer and Lessee and their

respective successors and assigns, subject, however, to the limitations contained in Sections 8.1, 8.3 and 8.4 hereof.

SECTION 11.4. Severability. In the event any provision of this 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 11.5. Amendments, Changes and Modifications. Subsequent to the issuance of the Bond and prior to its payment in full, and except as otherwise herein expressly provided, this Lease may not be effectively amended, changed, modified, altered or terminated.

SECTION 11.6. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 11.7. Net Lease. This Lease shall be deemed and construed to be a "net lease," and Lessee shall pay absolutely net during the Lease Term the rent and all other payments required hereunder, free of any deductions, and without abatement, deduction or set-off, other than those herein expressly provided.

SECTION 11.8. Applicable Law. This Lease shall be governed by and construed in accordance with the laws of the State.


SECTION 11.9. Limit of Validity. If from any circumstances whatsoever fulfillment of any provision of this Lease, at the time performance of such provision shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount then ipso facto the obligation to be fulfilled shall be reduced to the limit of such validity, so that in no event shall any exaction be possible under

this Lease that is in excess of the current limit of such validity, but such obligation shall be fulfilled to the limit of such validity.


SECTION 11.10. Captions. The captions or headings in this Lease are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Lease.

IN WITNESS WHEREOF, Issuer and Lessee have executed this Lease as of the date first above written.


AS TO LESSOR, signed and sealed in the presence of:

Wanda K. Jones
Unofficial Witness
Amy C. Stewart
Notary Public
(NOTARY SEAL)


GAINESVILLE AND HALL COUNTY DEVELOPMENT AUTHORITY

By: Wanda K. Jones
Chairman
Attest: Tracy D. Harts
Secretary
(CORPORATE SEAL)


AS TO LESSEE, signed and sealed in the presence of:

Wanda K. Jones
Unofficial Witness
Amy C. Stewart
Notary Public
(NOTARY SEAL)


HALL COUNTY, GEORGIA

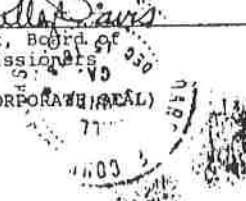
By: Wanda K. Jones
Chairman, Board of Commissioners
Attest: Tracy D. Harts
Clerk, Board of Commissioners
(CORPORATE SEAL)


EXHIBIT "A"

All that tract or parcel of land lying and being in Gainesville District, G.M.D. 411, Hall County, Georgia, and fronting on Athens Street (Old U. S. Hwy. 129) and being more particularly described as follows:

BEGINNING at a point on the Southwestern right-of-way of Athens Street, said point being located 1,048.73 feet South along said right-of-way from the intersection of said right-of-way with the right-of-way of Monroe Drive, and running thence South 30 degrees 22 minutes 40 seconds West 101.04 feet to a point; thence South 80 degrees 55 minutes 51 seconds West 356.64 feet to a point; thence South 80 degrees 55 minutes 51 seconds West 287.5 feet, more or less, to a point on the Eastern right-of-way of Interstate Highway 985; thence North 25 degrees 12 minutes 24 seconds East along said right-of-way of Interstate Hwy. 985 156.25 feet, more or less, to a 3/8 inch rebar found; thence North 29 degrees 41 minutes 1 second East 30.99 feet to a 3/8 inch rebar found; thence North 41 degrees 14 minutes 42 seconds East 326.07 feet to a 3/8 inch rebar found; thence North 81 degrees 33 minutes 44 seconds East 55.08 feet to a concrete monument found on the Southwestern right-of-way of Athens Street; thence South 52 degrees 43 minutes 55 seconds East 84.95 feet along said right-of-way to a point; thence continuing along said right-of-way a chord bearing and distance of South 55 degrees 58 minutes 31 seconds East 324.17 feet, having an arc distance of 324.34 feet and a radius distance of 2,864.79 feet, to the point of beginning.

03108
0040

RETURN TO SENDER
40
STENOGRAPHIC UNIT
F.O. BOX 1003
GAINESVILLE, GA 30603

WARRANTY DEED—Survivorship

GEORGIA, COUNTY OF Hall

THIS INDENTURE, Made this 27th day of February In the Year of Our Lord One Thousand Nine Hundred and Ninety-Eight between

April Dellinger Tuttle formerly known as April H. Dellinger (hereinafter called "GRANTOR"), and of the State of Georgia and County of Hall
Douglas P. Smith and Evelyn J. Smith (hereinafter called "GRANTEES") of the State of Georgia and County of Hall

WITNESSETH: That the said GRANTOR, for and in consideration of the sum of _____ DOLLARS, Ten Dollars and other valuable considerations (\$10.00) in hand paid at and before the sealing and delivery of these presents, the receipt of which is hereby acknowledged, has granted, bargained, sold and conveyed, and by these presents does grant, bargain, sell and convey unto GRANTEES, as Joint Tenants, for and during their joint lives, and upon the death of either of them, then to the survivor of them, in fee simple, together with every contingent remainder and right of reversion, and to the heirs and assigns of said survivor, the following described property:

All that tract or parcel of land lying and being in the Morgain GMD 385 District, Hall County, Georgia, consisting of Lot 9 of the Crabapple Creek Subdivision, containing 26,363 feet, as shown on a plat of survey prepared by Farley-Collins Associates, Georgia Registered Surveyors, dated May 5, 1994, recorded on Plat Slide 350, page 98-A, Hall County, Georgia Plat Records. Reference to said plat and the record thereof is hereby made for a more complete description of said property.

- This conveyance is made subject to the following:
1. Restrictive Covenants recorded in Deed Book 1764, page 86, Hall County, Georgia Deed Records.
 2. Building setback requirements more particularly described according to the subdivision plat recorded on Plat Slide 101, page 105A, Hall County, Georgia Plat Records.
 3. Fifteen foot (15') and five foot (5') utility and drainage easements as per the within referenced survey.

Morgans, Hall County, Clerk Superior Court
Filed in office, this 3 day of Mar
1998 at 10:45 a.m. Recorded in
Book 3108 Page(s) 40
this 4 day of Mar, 1998.
DWIGHT S. WOOD, CLERK, by: *RS pl*

TO HAVE AND TO HOLD the said tract or parcel of land, with all and singular the rights, members and appurtenances thereof, to the same being, belonging, or in anywise appertaining, to the only proper use, benefit and behoof of the said GRANTEES, as Joint Tenants, for and during their joint lives, and upon the death of either of them, then to the survivor of them in fee simple, together with every contingent remainder and right of reversion, and to the heirs and assigns of said survivor.

AND THE SAID GRANTOR will warrant and forever defend the rights and title to the above described property, unto the said GRANTEES, as hereinabove provided, against the claims of all persons whomsoever.

WHEREVER there is a reference herein to the GRANTOR, the singular includes the plural and the masculine includes the feminine and the neuter, and said terms include and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

IN WITNESS WHEREOF, the said GRANTOR has hereunto set his hand and seal, the day and year above written.

Signed, sealed and delivered in presence of:

Kathy Campbell
Unofficial Witness

April Dellinger Tuttle (SEAL)
April Dellinger Tuttle formerly known as
April H. Dellinger

John M. Melvin
Notary Public, Hall County, GA
My Commission Expires: 2-18-2001
Date signed by Notary: 2-27-1998

(SEAL)



HALL COUNTY, Georgia
Real Estate Transfer Tax

Paid \$ 115.00
Date Mar 3, 1998
DWIGHT S. WOOD
Clerk Superior Court
D. Wood