

380

SECOND SUPPLEMENTAL LEASE AGREEMENT

between

**THE INDUSTRIAL DEVELOPMENT BOARD
OF SHELBY COUNTY**

and

COOK PUBLICATIONS, INC.

Dated as of October 1, 1985

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Relating to

\$150,000

**THE INDUSTRIAL DEVELOPMENT BOARD
OF SHELBY COUNTY**

**Industrial Development Revenue Bonds
(Cook Publications, Inc. Project)
Series 1985**

HASKELL SLAUGHTER YOUNG & LEWIS
PROFESSIONAL ASSOCIATION
800 FIRST NATIONAL-SOUTHERN NATURAL BUILDING
BIRMINGHAM, ALABAMA 35203

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SECOND SUPPLEMENTAL LEASE AGREEMENT between **THE INDUSTRIAL DEVELOPMENT BOARD OF SHELBY COUNTY**, a public corporation and instrumentality organized under the laws of the State of Alabama (herein called the "Board"), and **COOK PUBLICATIONS, INC.**, a corporation organized and existing under the laws of the State of Alabama (herein called the "Company"),

RECITALS

The Board and the Company have heretofore entered into a Lease Agreement dated as of May 1, 1984 (said Lease Agreement being herein called the "Lease"), in and by which the Board leased to the Company the "Project" therein described. The costs of acquiring, improving and installing the Project were permanently financed by the issuance by the Board of \$800,000 in principal amount of its Industrial Development Revenue Bonds (Cook Publications, Inc. Project), Series 1984, dated May 18, 1984 (herein called the "Series 1984 Bonds"), which were issued under and are secured by a Mortgage and Trust Indenture dated as of May 1, 1984 (herein called the "Indenture"), between the Board and AmSouth Bank N.A. (said bank in its capacity as trustee under the Indenture, as well as any successor trustee thereunder, being herein called the "Trustee").

Under the provisions of Article VIII of the Indenture, the Board has reserved the right to issue, upon compliance with the conditions precedent set forth in said Article VIII, additional bonds, to be secured on a parity with the Series 1984 Bonds, for the purpose of financing the costs of making any additions, improvements, extensions, alterations, modifications or changes to the facilities leased to the Company under the Lease. The Board agreed in the Lease that, upon being requested so to do by the Company, it would issue additional bonds for the aforesaid purpose and use its best efforts to sell such bonds on the terms and conditions specified by the Company. In order to finance the costs of acquiring and installing certain additional equipment (herein called the "First Additional Equipment") as part of the Project, the Board has heretofore issued \$100,000 in principal amount of its Industrial Development Revenue Bonds (Cook Publications, Inc. Project), Series 1984-A, dated December 28, 1984 (herein called the "Series 1984-A Bonds"), pursuant to the Indenture, as amended by a First Supplemental Indenture dated as of December 1, 1984 (herein called the "First Supplemental Indenture"). In order to subject the First Additional Equipment to the demise of the Lease and to provide for the payment of supplemental rentals thereunder sufficient to provide for the payment, when due, of the principal of and the interest on the Series 1984-A Bonds, the Board and the Company have entered into a First Supplemental Lease Agreement dated as of December 1, 1984 (herein called the "First Supplemental Lease").

The Company proposes to finance certain additional equipment for the Project, and the Board proposes to issue for such purpose, upon compliance with all conditions precedent specified in the Indenture, \$150,000 in principal amount of its Industrial Development Revenue Bonds (Cook Publications, Inc. Project), Series 1985, to be dated the date of their issuance (herein called the "Series 1985 Bonds"). The proceeds of the Series 1985 Bonds will be applied by the Board to the payment of the expenses of issuing the Series 1985 Bonds and the payment of that portion of the costs of acquiring and installing such additional equipment (said equipment being

herein called the "Second Additional Equipment"). The Series 1985 Bonds will be secured, on a parity with the Series 1984 Bonds and the Series 1984-A Bonds, by a pledge and assignment of the Board's interest in the Lease and this Second Supplemental Lease Agreement and by a pledge and assignment of the revenues and receipts to be derived by the Board from the leasing or sale of the Project hereinafter referred to and will be issued under and additionally secured by the Indenture and by a Second Supplemental Indenture dated as of October 1, 1985, between the Board and the Trustee (herein called the "Second Supplemental Indenture").

NOW, THEREFORE, in consideration of the respective agreements on the part of the Board and the Company hereinafter contained, the Board and the Company do hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 New Definitions. Unless the context clearly indicates a different meaning, the following words and phrases, as used in this Second Supplemental Lease, shall have the following respective meanings:

"Bond Preference Tax" means any tax or penalty under federal or Alabama law hereafter imposed on the owner of Tax-Exempt Obligations including, without limitation, any preference tax, excess profits tax or other tax measured in whole or in part with reference to (i) the interest on or the principal of Tax-Exempt Obligations, or (ii) any amount of interest on indebtedness deemed attributable to the purchase or carrying of Tax-Exempt Obligations.

"Bond Year", when used with respect to the Series 1985 Bonds, means the one-year period beginning on each October 28 and ending on the next succeeding October 27.

"Second Additional Equipment" means those items of the New Equipment which, in whole or in part, have been or are to be paid by the Board out of the proceeds of the Series 1985 Bonds. As of the delivery of this Second Supplemental Indenture, the Second Additional Equipment is expected to consist of those items (whether or not fixtures) of machinery, equipment or other personal property that are generally described in Exhibit A attached hereto and made a part hereof.

"Second Supplemental Indenture" means the Second Supplemental Indenture between the Board and the Trustee dated as of October 1, 1985, under which (i) the Series 1985 Bonds are authorized to be issued and (ii) the Board's interest in this Second Supplemental Lease Agreement and the revenues and receipts to be derived by the Board from any leasing or sale of the Project are to be assigned, and the Second Additional Equipment is to be subjected to the lien of the Indenture, as security for the payment of the principal of and the interest and premium (if any) on the Bonds, as said Second Supplemental Indenture now exists and as it may hereafter be supplemented and amended.

"Second Supplemental Lease" or "this Second Supplemental Lease Agreement" means this Second Supplemental Lease Agreement as it now exists and as it may from time to time be modified, supplemented or amended as permitted by Article XV of the Indenture.

"Series 1985 Bonds" means those certain Industrial Development Revenue Bonds (Cook Publications, Inc. Project), Series 1985, authorized to be issued under the Indenture, as amended and supplemented by the Second Supplemental Indenture, in the principal amount of \$150,000.

"Series 1985 Company Guaranty" means that certain Guaranty Agreement dated as of October 1, 1985, between the Company and the Trustee in and by which the Company has unconditionally guaranteed the payment by the Board of the principal of and the interest and premium (if any) on the Series 1985 Bonds and has agreed to pay or discharge certain other obligations relating to the Series 1985 Bonds, as such Guaranty Agreement may from time to time be amended in accordance with the provisions thereof.

"Series 1985 Determination of Taxability" means a determination that the interest income on the Series 1985 Bonds is subject to federal income taxation as a result of an Series 1985 Event of Taxability, which determination shall be deemed to have been made upon the first to occur of the following:

(a) the date on which the Company shall file a statement with the Trustee to the effect that the interest income on the Series 1985 Bonds is subject to federal income taxation, which statement shall be accompanied (i) by such documentation as shall be necessary to confirm the occurrence of an Series 1985 Event of Taxability and (ii) by an opinion of Independent Counsel acceptable to the Trustee that the interest income on the Series 1985 Bonds is subject to federal income taxation as a result of the occurrence of an Series 1985 Event of Taxability; or

(b) the date on which the Company or the Holder or any former Holder of any of the Series 1985 Bonds shall be advised by private ruling, technical advice or any other written communication from an authorized official of the Internal Revenue Service that, based upon any filings of the Company, or upon any review or audit of the Company, or upon any other grounds whatsoever, a Series 1985 Event of Taxability has occurred; or

(c) the date on which the Company shall receive notice from the Holder or any former Holder of any of the Series 1985 Bonds in writing that such Holder or former Holder has been advised (i) that the Internal Revenue Service has assessed as includable in the gross income of such Holder or former Holder the interest on the Series 1985 Bonds due to the occurrence of a Series 1985 Event of Taxability or (ii) by any authorized official of the Internal Revenue Service that the interest on the Series 1985 Bonds is includable in the gross income of such Holder or former Holder due to the occurrence of a Series 1985 Event of Taxability; or

(d) the date on which the Holder or any former Holder of any of the Series 1985 Bonds shall determine in good faith, evidenced by an

opinion of Independent Counsel, that a Series 1985 Event of Taxability has occurred.

"Series 1985 Event of Taxability" means any event, occurrence, condition or circumstance which is the cause of, or which results in, the interest income on any of the Series 1985 Bonds being or becoming subject to federal income taxation, including, without limitation, any of the following events, occurrences, conditions or circumstances:

(a) the aggregate authorized face amount of the Series 1985 Bonds allocated to any Test Period Beneficiary (when increased by the outstanding tax-exempt "industrial development bonds" allocable to such Test Period Beneficiary) exceeds \$40,000,000 during the period of three years following the date on which the Second Additional Equipment is placed in service; or

(b) the Series 1985 Bonds constitute "arbitrage bonds" within the meaning of Section 103(c) of the Code; or

(c) the taking of any action by the Board or the Company, or the failure of the Board or the Company to take any action, or any mistake in or untruthfulness of any representation of the Board or the Company contained in the Lease or in any certificate of the Board or the Company delivered pursuant to the Lease or the Indenture or in connection with the issuance of the Series 1985 Bonds, if such action or omission, or such mistake in or untruthfulness of such representation, has the effect of causing the interest on the Series 1985 Bonds to be or become subject to federal income taxation; or

(d) a change in federal tax law or the applicable regulations thereunder or any other change in law occurring after the issuance of the Series 1985 Bonds; or

(e) a final adjudication by a court of competent jurisdiction from which no further appeal exists, binding upon the Company or the Board or, if not binding upon the Company or the Board, applicable to the Series 1985 Bonds in the opinion of Independent Counsel acceptable to the Trustee, that the Board lacks the power to issue the Series 1985 Bonds or to enter into the Lease or the Indenture or that the Series 1985 Bonds are otherwise invalid for any reason whatsoever, including, without limitation, any invalidity or irregularity in any proceeding relating to the issuance thereof;

provided that no Series 1985 Event of Taxability shall be deemed to have occurred with respect to any Series 1985 Bond if the interest thereon shall be subject to federal income taxation for any period solely because during that period such Series 1985 Bond was held by a Person who is a Substantial User of the Project or by a Related Person.

"Series 1985 Guaranties" means the Series 1985 Company Guaranty and the Series 1985 Shareholder Guaranty.

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"Series 1985 Investment Proceeds" means the net income derived from the investment and reinvestment of proceeds of the Series 1985 Bonds (including income derived from the investment and reinvestment of previously derived income), it being understood that such net income shall consist of the aggregate interest received from investments plus any profit actually realized from the purchase of investments at a discount, less any accrued interest and any premium paid as part of the purchase price of any investments. As used herein the term "Series 1985 Investment Proceeds" includes the net income derived from the investment of moneys transferred from the Construction Fund to the Bond Fund Escrow Account, as well as the net income derived from the investment of moneys held in the Construction Fund.

"Series 1985 Issuance Expenses" means the expenses of issuing the Series 1985 Bonds to the extent, and only to the extent, that, in determining the amounts of the "proceeds" of the Series 1985 Bonds for purposes of the "substantially all" test provided by Treasury Regulations §1.103-8(a)(1)(i) and §1.103-10(b)(1)(ii), such expenses are properly deductible from the aggregate amount (excluding accrued interest) received by the Board from the sale of the Series 1985 Bonds.

"Series 1985 Original Purchaser" means AmSouth Bank N.A., the original purchaser of the Series 1985 Bonds from the Board, for so long as it is the Holder of any of the Bonds.

"Series 1985 Principal Proceeds" means the aggregate amount (excluding accrued interest, if any) received by the Board from the sale of the Series 1985 Bonds and the Lease, less the Series 1985 Issuance Expenses.

"Series 1985 Shareholder Guaranty" means that certain Guaranty Agreement dated as of October 1, 1985, between the Shareholder and the Trustee in and by which the Shareholder has unconditionally guaranteed the payment by the Board of the principal of and the interest and premium (if any) on the Series 1985 Bonds and has agreed to pay or discharge certain other obligations relating to the Series 1985 Bonds and the Lease, as such Guaranty Agreement may from time to time be amended in accordance with the provisions thereof.

"Series 1985 Taxability Redemption Date" means the redemption date on which all then outstanding Series 1985 Bonds are required to be redeemed, pursuant to the provisions of subsection (b) of Section 3.5 of the Indenture, as the result of a Series 1985 Determination of Taxability.

"Tax-Exempt Obligations" means (i) for purposes of a Bond Preference Tax imposed by federal law, obligations the interest on which is exempt from federal income taxation under Section 103 of the Code, and (ii) for purposes of a Bond Preference Tax imposed by Alabama law, obligations the interest on which is exempt from Alabama income taxation.

"Test Period Beneficiary" means a "test period beneficiary" within the meaning of Section 103(b)(15) of the Code and the applicable regulations thereunder.

Section 1.2 Definitions Contained in the Lease, the Indenture and the Second Supplemental Indenture. The Second Supplemental Indenture is being exe-

cuted and delivered simultaneously with the delivery hereof, and the terms and conditions thereof are hereby made a part of this Second Supplemental Lease Agreement as fully and completely as if set out in full herein. Unless the context clearly indicates a different meaning, any words, terms or phrases that are used in this Second Supplemental Lease Agreement as defined terms without being herein defined shall have the meanings respectively given them in the Indenture, the Lease, and the Second Supplemental Indenture if they are therein defined.

Section 1.3 Use of Phrases. "Herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter" and other equivalent words refer to the Lease as an entirety and not solely to the particular portion in which any such word is used. The definitions set forth in Section 1.1 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

(a) Organization. The Board is a public corporation duly organized and validly existing under the provisions of the Act, as now existing, by reason of its Certificate of Incorporation duly filed for record in the office of the Judge of Probate of Shelby County, Alabama, which Certificate of Incorporation has not been amended, rescinded or 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 its Bylaws or in the laws of the State of Alabama.

(b) Litigation. There are no actions, suits or proceedings pending (nor, to the knowledge of the Board, are any actions, suits or proceedings threatened) against or affecting the Board or any property of the Board in any court, or before an arbitrator of any kind, or before or by any governmental body, which might materially and adversely affect the transactions contemplated by this Second Supplemental Lease Agreement or which might adversely affect the validity or enforceability of this Second Supplemental Lease Agreement or any other agreement or instrument to which the Board is or is to be a party relating to the transactions contemplated by this Second Supplemental Lease Agreement.

(c) Sale and Other Transactions are Legal and Authorized. The sale and issuance of the Series 1985 Bonds, the execution and delivery of this Second Supplemental Lease Agreement and the Second Supplemental Indenture, and the compliance with all the provisions of each thereof and of the Series 1985 Bonds by the Board (i) are within the power and authority of the Board, (ii) will not conflict with or result in a breach of any of the provisions of, or constitute a default under, or result in or require the creation of any lien or encumbrance (other than Permitted

Encumbrances) upon any property of the Board under, the Act, the Certificate of Incorporation or the Bylaws of the Board, any agreement or other instrument to which the Board is a party or by which it may be bound, or any license, judgment, decree, order, law, statute, ordinance or governmental regulation applicable to the Board, and (iii) have been duly authorized by all necessary corporate action on the part of the Board.

(d) Governmental Consents. Neither the nature of the Board, nor any of its activities or properties, nor any relationship between the Board and any other Person, nor any circumstance in connection with the offering, sale, issuance or delivery of any of the Series 1985 Bonds is such as to require a consent, approval or authorization of, or filing, registration or qualification with, any governmental body on the part of the Board in connection with the execution, delivery and performance of either this Second Supplemental Lease Agreement or the Second Supplemental Indenture or the offering, sale, issuance or delivery of any of the Series 1985 Bonds, other than (i) the filing with the Alabama Securities Commission of the notification of the Board's intention to issue the Series 1985 Bonds required by Act No. 586 enacted at the 1978 Regular Session of the Legislature of the State of Alabama (codified as Code of Alabama 1979, §§8-6-110 to 8-6-122, inclusive) and the issuance by the Director of the Alabama Securities Commission of such Certificate of Notification as may be required by said Act No. 586 in connection with the issuance of the Series 1985 Bonds, (ii) the due filing and/or recording of this Second Supplemental Lease Agreement and the Second Supplemental Indenture, (iii) the due filing of requisite Uniform Commercial Code financing statements, (iv) the approval of the issuance of the Series 1984 Bonds by the County as more fully described in subsection (e) of this section and (v) an allocation for the Series 1985 Bonds under the Alabama 1985 Bond Allocation Plan for "private activity bonds". The Board has filed with the Alabama Securities Commission the notification of its intention to issue the Series 1985 Bonds as required by said Act No. 586, and the Director of the Alabama Securities Commission has issued a Certificate of Notification applicable to the issuance of the Series 1985 Bonds. The Certificate of Notification has not been revoked or rescinded by the Alabama Securities Commission and continues in full force and effect. The governing body of the County has duly adopted an appropriate resolution consenting to the undertakings of the Board contemplated by the Lease and the Indenture, and the State Industrial Development Authority has issued a Notice of Allocation with respect to the Series 1985 Bonds.

(e) Public Approval. The issuance of the Series 1985 Bonds has been approved by the County (the County being the Governmental Unit on behalf of which the Series 1985 Bonds are being issued), said approval having been made by the applicable elected representative of such Governmental Unit after a public hearing following reasonable public notice, all in accordance with the provisions of Section 103(k) of the Code and the applicable regulations thereunder.

(f) No Default. No event has occurred and no condition exists which would constitute an "Event of Default" under the Indenture, as "Event of Default" is therein defined, or which would become such an "Event of Default" with the passage of time or with the giving of notice or both. The Board is not in default under the Act, its Certificate of Incorporation, its Bylaws, or any agreement or instrument to which it is a party or by which it is bound, or any judgment, order, rule or regulation of any court or other governmental body applicable to it, to the extent in any such

case that the default in question would adversely affect the existence of the Board, its corporate power to carry out the transactions contemplated by this Second Supplemental Lease Agreement or the validity of any of the Series 1985 Bonds or the security therefor.

(g) The Series 1985 Bonds. The Series 1985 Bonds, when issued and paid for in accordance with this Second Supplemental Lease Agreement and the Second Supplemental Indenture and when duly authenticated by the Trustee, will constitute legal, valid and binding special obligations of the Board payable solely from the sources provided in the Indenture.

(h) Tax-Exempt Status of Series 1985 Bonds. The Board intends for the Series 1985 Bonds to be issued in compliance with the conditions necessary for the interest income thereon to be exempt from federal income taxation under Section 103(b)(6) of the Code, and the Board understands that such exemption constitutes a principal inducement to the purchase of the Series 1985 Bonds by the Series 1985 Original Purchaser and will constitute a principal inducement to the purchase of any of the Series 1985 Bonds by any subsequent purchaser thereof.

(i) Average Maturity of the Series 1985 Bonds. The "average maturity" of the Series 1985 Bonds does not exceed 120 percent of the average reasonably expected economic life of the facilities being financed with the proceeds of the Series 1985 Bonds, all within the meaning of Section 103(b)(14) of the Code and the applicable regulations thereunder.

(j) Nature and Location of Project. The Project, as improved by the Second Additional Equipment, will constitute a "project" within the meaning of the Act, as now existing. As of the delivery of this Second Supplemental Lease Agreement, the entire Project Site is located wholly within the now existing geographic boundaries of the County.

(k) Fulfillment of Purposes of Act. The Board has determined that the issuance of the Series 1985 Bonds, the performance of the Project Improvement Work and the leasing of the Project, as improved by the Second Additional Equipment, to the Company will promote industry, develop trade, further the use of the natural and human resources of the State of Alabama and otherwise fulfill the purposes of the Act, as now existing.

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

(a) Organization and Qualification of the Company. The Company is a corporation duly organized, validly existing and in good standing under the laws of the State of Alabama. The Company has the corporate power and authority to own its properties and assets and to carry on its business as now being conducted, and it is duly qualified to do business and is in good standing in every jurisdiction wherein such qualification is necessary. The Company has all requisite corporate power to enter into this Second Supplemental Lease Agreement and to consummate the transactions contemplated hereby.

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

(c) Burdensome and Conflicting Agreements and Charter Provisions. The Company is not a party to any instrument or agreement or subject to any charter or corporate restriction or to any judgment, order, rule or regulation of any court or governmental body which materially and adversely affects, or in the future may (so far as the Company can now foresee) materially and adversely affect the business, prospects, operations, properties, assets or condition (financial or otherwise) of the Company. Neither the execution and delivery of this Second Supplemental Lease Agreement, nor the offering, sale and issuance of any of the Series 1985 Bonds, nor the consummation of the transactions herein contemplated, nor the fulfillment of or compliance with the terms and provisions hereof conflicts with, or results in a breach of, or constitutes a default under, or results in or requires the creation of any lien in respect of any properties or assets of the Company pursuant to, or requires any authorization, consent, approval, exemption or other action by, or any notice to, any Person (other than those already obtained, taken or made and which continue in full force and effect) pursuant to the terms, conditions or provisions of any applicable law, rule, regulation, corporate charter, bylaw, agreement, instrument, judgment or order by which the Company is bound or to which the Company or any of its properties is subject.

(d) Governmental Consents. Neither the nature of the Company, its business or property of the Company, nor any relationship between the Company and any other Person nor any circumstance in connection with the offering, sale, issuance or delivery of any of the Series 1985 Bonds is such as to require on the part of the Company any consent, approval, permit, exemption, action, order or authorization of, or filing, registration or qualification with, or with respect to, any court, regulatory agency or other governmental body in connection with the execution and delivery of this Second Supplemental Lease Agreement or the offering, sale, issuance or delivery of any of the Series 1985 Bonds (other than those already obtained, taken or made and which continue in full force and effect).

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

(f) No Defaults. No event has occurred and no condition exists which, upon the issuance of any of the Series 1985 Bonds, would constitute an Event of Default or which would become such an Event of Default with the passage of time or with the giving of notice or both. To the best of the knowledge of the Company, no event has occurred and no condition exists which would constitute an "Event of

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Default" under the Indenture (as supplemented by the Second Supplemental Indenture), as "Event of Default" is therein defined, or which would become such an "Event of Default" with the passage of time or with the giving of notice or both. The Company is not in default in any respect under any charter instrument or bylaw or, to the best of the knowledge of the Company, any agreement or other instrument to which it is a party or by which it is bound, on any judgment, order, rule or regulation of any court or other governmental body applicable to it, to the extent in any such case that the default in question would materially and adversely affect the transactions contemplated by this Second Supplemental Lease Agreement or would impair the ability of the Company to comply with its obligations hereunder. The Company is not in default under the payment of the principal of or the interest on any of its indebtedness and is not in default under any instrument or agreement under and subject to which any indebtedness of the Company has been incurred, and no event has occurred or is continuing under the provisions of any such instrument or agreement which constitute or will constitute an event of default thereunder.

(g) ERISA. The purchase of the Series 1985 Bonds by the Series 1985 Original Purchaser and the issuance and delivery of the Series 1985 Bonds as contemplated hereby will not involve any prohibited transaction within the meaning of Section 4975 of the Code or Section 406 of ERISA or a violation of Section 407 of ERISA. The Company has not incurred any material accumulated funding deficiency within the meaning of ERISA, nor has the Company incurred any material liability to the Pension Benefit Guaranty Corporation established under ERISA (or any successor thereto under ERISA), nor does the Company foresee that it will incur any such material accumulated funding deficiency or material liability in the future, in connection with any employee benefit plan established or maintained by the Company. Based upon ERISA and the regulations and published interpretations thereunder as presently in effect, the Company is presently in compliance in all material respects with the applicable provisions of ERISA, and no "reportable event" [as such term is defined in Section 4043(b) of Title IV of ERISA] has occurred with respect to any employee benefit plan which is maintained for employees of the Company and which is subject to the provisions of Title IV of ERISA.

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

(i) Project's Compliance with Statutes and Regulations. To the best of the knowledge and judgment of the Company, the operation of the Project, as improved by the Second Additional Equipment, for the purpose for which it was and acquired will not conflict with any zoning, planning or similar regulations applicable thereto and will comply in all material respects with all applicable statutes, regulations, orders and restrictions.

(j) Date of Acquisition of Second Additional Equipment. No property which constitutes or is to constitute part of the Second Additional Equipment was acquired by the Board or by the Company prior to the effective date of the

Inducement Agreement, nor did any of such parties enter into any binding commitment for the acquisition of any such property prior to such date.

(k) Nature and Location of Project. The Project, as expanded and improved by the Project Improvements, will constitute a "project" within the meaning of the Act, as now existing. As of the delivery of this Second Supplemental Lease Agreement, the entire Project Site is located wholly within the now existing geographic boundaries of the County.

(l) Relationship of Qualifying Project Improvement Costs to Principal Amount of Series 1985 Bonds. Based upon reasonable estimates as of the date of the delivery of this Second Supplemental Lease Agreement, those costs of acquiring and installing the Second Additional Equipment that constitute Qualifying Project Improvement Costs are expected to amount, in the aggregate, to not less than ninety percent (90%) of the Series 1985 Principal Proceeds.

(m) Use of the Second Additional Equipment. As of the date of the delivery of this Second Supplemental Lease Agreement, the Company does not have any plans and is not a party to any arrangement which, if consummated, would result in the Project, as improved by the First Additional Equipment and the Second Additional Equipment, being used by any Principal User other than the Company or a Related Person thereto. The issuance of the Series 1985 Bonds will not result in the aggregate authorized face amount of the Series 1985 Bonds allocated to a Test Period Beneficiary (when increased by the outstanding tax-exempt "industrial development bonds" allocable to such Test Period Beneficiary) exceeding \$40,000,000, all within the meaning of Section 103(b)(15) of the Code and the applicable regulations thereunder.

(n) Tax-Exempt Status of the Series 1985 Bonds. The Company intends for the Series 1985 Bonds to be issued in compliance with the conditions necessary for the interest income thereon to be exempt from federal income taxation under Section 103(b)(6) of the Code, and the Company understands that such exemption constitutes a principal inducement to the purchase of the Series 1985 Bonds by the Series 1985 Original Purchaser and will constitute a principal inducement to the purchase of any of the Series 1985 Bonds by any subsequent purchaser thereof.

(o) Previously Issued Public Securities. Except for the Series 1984 Bonds (which are now outstanding in a principal amount not greater than \$700,000), the Series 1984-A Bonds (which are now outstanding in a principal amount not greater than \$85,000) and the Series 1985 Bonds, no Public Securities have been issued since April 30, 1968, and are now outstanding, the proceeds of which have been or are to be used primarily with respect to Local Facilities.

(p) No Composite Issue. As of the date of the delivery of this Lease Agreement, the Company does not have any plans and is not a party to any arrangement which, if consummated, would result in the Series 1985 Bonds and any other Public Securities being considered a single issue of "industrial development bonds" within the meaning of Section 103(b)(6)(K) of the Code, the applicable regulations thereunder or Rev. Rul. 81-216, 1981-1 C.B. 21, including, without limitation, any arrangement pursuant to which (i) the Series 1985 Bonds and such other Public Securities will be sold at substantially the same time; (ii) the Series 1985

Bonds and such other Public Securities will be sold pursuant to a common plan of marketing; (iii) the Series 1985 Bonds and such other Public Securities will be sold at substantially the same rates of interest; and (iv) a common or pooled security will either be used or available to pay debt service on the Series 1985 Bonds and such other Public Securities.

(q) Series 1985 Bonds Not Federally Guaranteed. The payment of the principal or interest with respect to the Series 1985 Bonds will not be guaranteed, in whole or in part, by the United States of America or any agency or instrumentality thereof; nor will the Series 1985 Bonds be issued as part of an issue a significant portion of the proceeds of which are to be (i) used in making loans the payment of the principal or interest with respect to which is to be guaranteed, in whole or in part, by the United States of America or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts [except as provided by Section 103(h)(3)(B) of the Code]; nor will the payment of the principal or interest with respect to the Series 1985 Bonds be otherwise indirectly guaranteed, in whole or in part, by the United States of America or any agency or instrumentality thereof.

(r) Inducement to Expand Operations in Alabama. The undertakings by the Board to acquire and install the Second Additional Equipment and to lease the same to the Company pursuant to this Second Supplemental Lease Agreement have induced the Company to expand its operations in the State of Alabama.

Section 2.3 Reference to the Bonds, the Lease and the Indenture in the Lease. The Company and the Board acknowledge and agree that, from and after the issuance by the Board of the Series 1985 Bonds, any reference in the Lease to the "Bonds" shall, unless the context clearly and unequivocally indicates otherwise, be construed to refer to the Series 1984 Bonds, the Series 1984-A Bonds and the Series 1985 Bonds; provided, however, that all references to the "Bonds" contained in Section 5.2 of the Lease shall be deemed to refer only to the Series 1984 Bonds.

The Company and the Board further acknowledge and agree that, from and after the delivery of this Second Supplemental Lease Agreement and the issuance by the Board of the Series 1985 Bonds,

(a) any reference in the Lease to "the Indenture" shall, unless the context clearly and unequivocally indicates otherwise, be construed to refer to the Indenture as supplemented by the First Supplemental Indenture and the Second Supplemental Indenture, and

(b) any reference in the Lease to "the Lease" or "this Lease Agreement" or the use of any word or phrase intended to refer to the Lease, as for example, but without limitation thereof, the words "hereof", "herein" or "hereunder", shall, unless the context clearly and unequivocally indicates otherwise, be construed to refer to the Lease as supplemented by the First Supplemental Lease and this Second Supplemental Lease Agreement.

The other provisions of the Lease, to the extent they are not inconsistent with the provisions hereof, shall also apply to this Second Supplemental Lease Agreement.

ARTICLE III

DEMISING CLAUSES

Section 3.1 Demising Clauses. For and during the Lease Term, in addition to the properties and related rights demised and leased by the Board to the Company pursuant to the provisions of Section 3.1 of the Lease, the Board hereby demises and leases to the Company, subject to Permitted Encumbrances, and the Company hereby rents from the Board, subject to Permitted Encumbrances, all items (whether or not fixtures) of machinery, equipment and other personal property that at any time, under the provisions of the Second Supplemental Lease, constitute the Second Additional Equipment, including, without limitation, the items (whether or not fixtures) of machinery, equipment and other personal property generally described in Exhibit A attached hereto and made a part hereof, excluding, however, any machinery, equipment or other personal property that, under the provisions of this Second Supplemental Lease Agreement, is, or is to become (prior to the termination of the Lease), the sole property of the Company or third parties.

ARTICLE IV

AGREEMENTS RESPECTING THE SECOND ADDITIONAL EQUIPMENT AND THE FINANCING THEREOF

Section 4.1 Agreement to Acquire and Install Second Additional Equipment. The Board and the Company will undertake and complete, or will cause to be undertaken and completed the acquisition and installation, in or about the Project Realty, of the Second Additional Equipment, such acquisition and installation to be made in accordance with written orders and directions from the Company. The Board will complete such acquisition and installation as soon as practicable, delays incident to strike, riots, acts of God and the public enemy and other causes beyond the reasonable control of the Board only excepted, and it will pay or caused to be paid, solely out of the principal proceeds derived by it from the sale of the Series 1985 Bonds, to the extent and as provided in Section 4.3 hereof, the costs of carrying out said work. The "Project", as said term is defined and used in the Lease, shall be deemed to include the Second Additional Equipment.

The Company may, after the delivery of these presents, cause such changes to be made in the Second Additional Equipment described in said Exhibit A, including additions thereto, deletions therefrom and substitutions therefor, as it may desire. Nothing herein contained shall be construed to enlarge, restrict or otherwise alter the terms and conditions contained in Section 6.2 of the Lease respecting the removal from the Project Site of any item of equipment forming a part of the Project.

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Section 4.2 Agreement to Issue the Series 1985 Bonds. In order to provide funds for the payment of the expenses to be incurred by the Board in connection with the issuance and sale of the Series 1985 Bonds and a portion of the costs of carrying out the acquisition and installation of the Second Additional Equipment, the Board will, simultaneously with the delivery hereof, issue and sell the Series 1985 Bonds. The Series 1985 Bonds will be issued under the Indenture, as supplemented and amended by the First Supplemental Indenture and the Second Supplemental Indenture, and all the terms and conditions of the Indenture, as supplemented and amended by the First Supplemental Indenture and the Second Supplemental Indenture (including, without limitation, those relating to the amounts and maturity dates of the principal of the Series 1985 Bonds, the interest rate or rates thereof and the provisions for redemption thereof prior to their respective maturities) are hereby made a part hereof as fully and completely as if set out herein, and the Company shall be deemed to be a third-party beneficiary thereof and shall (except as otherwise specifically provided in the Indenture or the Second Supplemental Indenture) be entitled to enforce performance and observance of the agreements and covenants on the part of the Board and the Trustee contained in the Indenture, as supplemented and amended by the First Supplemental Indenture and the Second Supplemental Indenture, as fully and completely as if it were a party to both of said instruments.

Section 4.3 Disbursement of Moneys from the Construction Fund. All terms used in this section not herein defined shall have the meanings respectively given those terms in the Second Supplemental Indenture. Subject to the conditions of Section 4.4 of the Lease, the Board will pay, or cause to be paid, all costs of the acquisition and installation of the Second Additional Equipment, but such costs shall be paid solely out of the principal proceeds from the sale of the Series 1985 Bonds, income earned from the investment of such proceeds and any other moneys which the Company may cause to be deposited in the Construction Fund. The Company, as agent for the Board, will cause such requisitions to be prepared and submitted to the Trustee as shall be necessary to enable the Trustee to pay, out of moneys in the Construction Fund in accordance with the provisions of Section 4.1 of the Second Supplemental Indenture and Section 9.2 of the Indenture, all costs of the acquisition and installation of the Second Additional Equipment. The Company, upon request, will furnish a copy of each such requisition to the Board. Anything to the contrary herein contained notwithstanding, the Board shall not be obligated to pay or cause to be paid, and the Company will not cause or permit any requisition to be submitted to the Trustee for the payment of, any cost which, if paid, would result, as of the making of such payment, in either

(a) the use for any purpose other than the payment of Qualifying Project Improvement Costs of more than ten percent (10%) of the cumulative amount of Series 1985 Principal Proceeds theretofore disbursed from the Construction Fund, or

(b) the use for any purpose other than the payment of Qualifying Project Improvement Costs of more than ten percent (10%) of the sum of the cumulative amount of Series 1985 Principal Proceeds and Series 1985 Investment Proceeds theretofore disbursed from the Construction Fund;

provided, however, that if the Board and the Trustee are furnished with an opinion of Bond Counsel stating that the requirement set forth in the preceding clause (b) may be disregarded to any extent without adversely affecting the exemption of the interest on the Series 1984 Bonds and the Series 1985 Bonds from federal income taxation under Section 103(b)(6) of the Code, then the requirement of said clause (b) may be disregarded to the extent stated in said opinion.

ARTICLE V

LEASE TERM, DEMISE OF SECOND ADDITIONAL EQUIPMENT AND ADDITIONAL RENTALS

Section 5.1 Confirmation of Lease Term of the Lease. The "Lease Term" of the Lease is hereby ratified and confirmed.

Section 5.2 Second Additional Equipment to Constitute a Part of the Project. Lease Thereof to the Company. The Second Additional Equipment shall constitute an integral part of the "Project" referred to in the Lease and shall be subject to the demise of the Lease and be considered as a part of the "Project" referred to in the Lease for all purposes of the Lease as fully and completely as if they had been fully and completely described in the demising clauses thereof. To give effect to the foregoing provision, the Board does hereby lease to the Company, and the Company does hereby rent from the Board, for and during the Lease Term, the Second Additional Equipment, as it may at any time and from time to time be constituted, upon and subject to the terms and conditions of the Lease and this Second Supplemental Lease Agreement. Further, as previously indicated, the Company and the Board acknowledge and agree that henceforth any reference in the Lease to the "New Equipment" shall, unless the context clearly and unequivocally indicates otherwise, include the Second Additional Equipment.

Section 5.3 Rental Provisions. In consideration of the issuance of the Series 1985 Bonds by the Board, the agreement of the Board to carry out the Project Improvement Work (including, without limitation, the acquisition and installation of the Second Additional Equipment) and the subjection of the Second Additional Equipment to the demise of the Lease for the Lease Term, the Company will, not later than 10:00 o'clock, A.M., on each Bond Payment Date, beginning with November 20, 1985, and continuing until and including October 20, 1990, pay to the Trustee at its principal office, for the account of the Board, base rentals (herein called "Supplemental Basic Rent"), over and above and in addition to the Basic Rent provided for in the Lease (therein and herein called "Basic Rent") and such Supplemental Basic Rent as is required to be paid under the First Supplemental Lease, in an amount which will equal the sum of

(a) the interest maturing with respect to the then outstanding Series 1985 Bonds on the Bond Payment Date on which each such installment of Supplemental Basic Rent becomes due and payable, plus

(b) the principal (if any) maturing, or required by the provisions of Section 3.4 of the Second Supplemental Indenture to be redeemed, with respect to the then outstanding Series 1985 Bonds on said Bond Payment Date.

There shall be credited against any installment of Supplemental Basic Rent due hereunder (including components of principal and interest) any amount then held in the Bond Fund created in Section 10.1 of the Indenture, which is in excess of the sum of (i) the principal (if any) and interest maturing with respect to the then outstanding Series 1984 Bonds and Series 1984-A Bonds on the then next succeeding Bond Payment Date with respect thereto and (ii) the redemption price of those of the Series 1984 Bonds and Series 1984-A Bonds (if any) required by the Indenture to be redeemed on such Bond Payment Date to the extent that such amount has not theretofore been credited on a previously due installment of Basic Rent; provided, however, that moneys in the Bond Fund shall not be credited against any such installment if such moneys (i) are held therein for payment of matured but unpaid Series 1984 Bonds, Series 1984-A Bonds and Series 1985 Bonds, Series 1984 Bonds, Series 1984-A Bonds and Series 1985 Bonds called for redemption but not yet redeemed and matured but unpaid interest on Series 1984 Bonds, Series 1984-A Bonds and Series 1985 Bonds, (ii) are held therein pursuant to instructions from the Company for the future redemption or purchase of Series 1984 Bonds, Series 1984-A Bonds or Series 1985 Bonds, (iii) are held therein subject to the restrictions contained in the last paragraph of Section 10.1 of the Indenture, as amended, and cannot be applied as a credit against any such installment without violating such restrictions, or (iv) are held therein for payment of unmatured Series 1984 Bonds, Series 1984-A Bonds or Series 1985 Bonds not called for redemption if such Series 1984 Bonds, Series 1984-A Bonds or Series 1985 Bonds are considered fully paid pursuant to the provisions of Section 17.1 of the Indenture by reason of the fact that such moneys are so held in the Bond Fund.

The provisions of the immediately preceding paragraph respecting the application of moneys on deposit in the Bond Fund as a credit on installments of Basic Rent and Supplemental Basic Rent are intended solely for the purpose of establishing a method for the calculation of the amount of Supplemental Basic Rent from time to time owed by the Company, and nothing contained herein shall be construed as establishing, or supporting the establishment of, a prior claim or preference in favor of the Series 1984 Bonds or the Series 1984-A Bonds with respect to the application of moneys at any time on deposit in the Bond Fund, which moneys shall, irrespective of whether they were derived from Basic Rent, Supplemental Basic Rent or other sources, at all times be held for and applied to the equal and pro rata payment of the principal of and interest (and premium, if any) on each of the Series 1984 Bonds, the Series 1984-A Bonds and the Series 1985 Bonds, without preference, priority or distinction of one bond over another or of the bonds of one series over the bonds of any other series.

Nothing herein contained shall be construed as imposing on the Board or on the Trustee any duty or responsibility to give any notice to the Company of the amount on deposit in the Bond Fund as of any rent payment date. Neither the Board nor the Trustee shall be obligated to give any prior notice to the Company of the due date or amount of any installment of Basic Rent or of any installment of Supplemental Basic Rent, and failure to receive any such prior notice, even if customarily

given by the Board or the Trustee, shall not relieve the Company of its obligations to pay such installment of Basic Rent or Supplemental Basic Rent when it is due and payable.

So long as any of the Series 1985 Bonds are outstanding, all Supplemental Basic Rent payments due hereunder shall be made directly to the Trustee for the account of the Board. In the event the due date of any installment of Supplemental Basic Rent payable hereunder is a Sunday or legal holiday, such installment shall be due in immediately available funds no later than the close of business by the Trustee on the last business day next preceding such due date. Any Supplemental Basic Rent payment due hereunder that is not paid on the due date thereof shall bear interest from such due date until paid at the per annum rate or rates applicable to the Series 1985 Bonds from time to time in effect. The Company will also pay, as additional rentals, the reasonable fees and charges of the Trustee under the Indenture, as supplemented by the Second Supplemental Indenture, relating to the Series 1985 Bonds (other than its initial authentication fee with respect to the Series 1985 Bonds), such additional fees and charges to be paid directly to the Trustee for its own account as and when such fees and charges become due and payable.

Section 5.4 Additional Rent - Bond Preference Taxes. In addition to the Basic Rent and all other rental payments due from the Company hereunder, if, as the result of any change in federal income tax laws pertaining to Tax Exempt Obligations after the date of original issuance of the Series 1985 Bonds, the Holder thereof shall be required to pay any Bond Preference Tax which is attributable, directly or indirectly, to the purchase or ownership of all or any of the Series 1985 Bonds with the result that the Board shall be required to make a payment to such Holder pursuant to the provisions of Section 3.1 of the Second Supplemental Indenture, then the Company shall pay to any such Holder thereof (for the account of the Board), within five (5) days after receipt by the Company from the Board of written notice that the Board has received written demand for such payment from a Holder, an amount which, after deduction of all Federal, state and local income taxes payable by any such Holder with respect to such payment (assuming in each case that the highest marginal rate of federal income taxation is applicable to such Holder), shall equal the amount of any Bond Preference Tax payable by each Holder thereof with respect to the Series 1985 Bonds.

Section 5.5 Obligations of Company Unconditional. The obligation of the Company to pay the Supplemental Basic Rent specified herein, to make all other payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, irrespective of any rights of set-off, recoupment or counterclaim it might otherwise have against the Board. The Company will not suspend or discontinue any such payment or fail to perform and observe any of its other agreements and covenants contained in the Lease or herein or (except as expressly authorized in the Lease) terminate the Lease or this Second Supplemental Lease Agreement for any cause, including, without limiting the generality of the foregoing, any acts or circumstances that may constitute an eviction or constructive eviction, failure of consideration or commercial frustration of purpose, or any damage to or destruction of the Project or any part thereof, or the taking by eminent domain of title to or the right to temporary use of

all or any part of the Project, or any change in the tax or other laws of the United States of America, the State of Alabama or any political subdivision of either thereof, or any failure of the Board to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with the Lease or this Second Supplemental Lease Agreement.

The provisions of the preceding paragraph of this Section 5.5 shall continue in effect only so long as any part of the principal of or the interest on any of the Series 1985 Bonds remains unpaid; provided, however, that such provisions shall, insofar as the agreements on the part of the Company contained in Section 6.1 hereof are concerned, continue in full force and effect notwithstanding payment of said principal and interest. Nothing herein contained shall, however, be construed to prevent the Company, at its own cost and expense and in its own name or in the name of the Board, from prosecuting or defending any action or proceeding or taking any other action involving third persons which the Company deems reasonably necessary in order to secure or protect its rights of use and occupancy and other rights under the Lease and hereunder, and the Board will cooperate fully with the Company in any such action or proceeding. Further, nothing herein contained shall be construed as excusing the non-performance or the non-observance by the Board of any of the agreements or covenants on its part herein contained, it being understood by the Company, however, that its rights and remedies on account of such non-performance or non-observance are substantially and materially limited by the first paragraph of this Section 5.5.

ARTICLE VI

MISCELLANEOUS

Section 6.1 **Concerning a Series 1985 Determination of Taxability.** It is understood by the parties hereto, on the basis of representations, warranties and covenants contained in Sections 2.1, 2.2, 6.6 and 6.7 hereof,

(a) that the interest income on the Series 1985 Bonds will be exempt from federal income taxation under the provisions of Section 103 of the Code (except that the interest income on any Series 1985 Bond will not be exempt from federal income taxation for any period during which such Series 1985 Bond is held by a Substantial User of the Project or by a Related Person),

(b) that the general rule of Section 103(b)(1) of the Code - denying to the interest income on Public Securities of the general nature of the Series 1985 Bonds exemption from federal income taxation - is not now applicable to the Series 1985 Bonds because they constitute an issue in the aggregate authorized face amount of \$1,000,000 or less, determined as provided in Section 103(b)(6) of the Code; and

(c) that the Series 1985 Bonds will not be "arbitrage bonds" within the meaning of Section 103(c) of the Code.

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The Company understands and agrees (i) that one of the principal inducements to the purchase of the Series 1985 Bonds by the Series 1985 Original Purchaser is that under existing law the interest thereon will be exempt from federal income taxation, and (ii) that, as a result of a mistake in any one or more of the aforesaid representations, or as a result of the breach of any one or more of the aforesaid warranties or covenants, or as a result of certain other events, occurrences, conditions or circumstances affecting the Series 1985 Bonds, the interest on the Series 1985 Bonds may, under the provisions of Section 103 of the Code, be or become subject to federal income taxation. Therefore, in the event of a Series 1985 Determination of Taxability, the Company will pay to the Trustee, for the account of the Board and as a special installment of Supplemental Basic Rent, an amount which will be sufficient to redeem and retire on the Series 1985 Taxability Redemption Date, at and for the applicable redemption price specified in subsection (b) of Section 3.5 of the Second Supplemental Indenture, all the Series 1985 Bonds that will be outstanding on the Series 1985 Taxability Redemption Date [it being understood and agreed that, for purposes of this clause, a Series 1985 Bond for the full retirement of which moneys or Federal Securities (or both) were on the Series 1985 Taxability Redemption Date set aside as provided in the Indenture shall nonetheless be considered as being outstanding on such date unless the date of its maturity (or, in the case it had theretofore been duly called for redemption under other provisions of the Indenture, the date fixed for its redemption) was prior to the Series 1985 Taxability Redemption Date].

The special installment of Supplemental Basic Rent required to be paid by the Company pursuant to this section shall be paid in immediately available funds on or before the close of business on the business day next preceding the Series 1985 Taxability Redemption Date; provided that if any of the moneys then held in the Construction Fund and the Bond Fund (exclusive of any moneys held therein for the payment of matured but unpaid Bonds, Bonds called for redemption but not yet redeemed and matured but unpaid interest) are not restricted to other purposes and can be applied to the redemption of Series 1985 Bonds, there shall be credited against such special installment of Supplemental Basic Rent so much of such moneys as the Company may specify in writing to the Board and the Trustee.

In addition to the obligations contained in the foregoing provisions of this section, the Company will pay and indemnify and save harmless the Trustee and all Holders and former Holders of any of the Series 1985 Bonds from all other damage, loss, cost or expense (including attorneys' fees) which the Trustee or any such Holder or former Holder may incur or be subject to as a consequence, direct or indirect, of a Series 1985 Determination of Taxability and the related Series 1985 Event of Taxability, including, without limitation, the defense or contest of any audit, investigation, suit or proceeding that may be initiated or conducted for the purpose of making such determination.

If any Series 1985 Determination of Taxability occurs while the Lease is still in effect and all installments of Supplemental Basic Rent referable to the Series 1985 Bonds have not yet become due and payable, then in such case the payment of the special installment of Supplemental Basic Rent required by this section shall constitute a prepayment of the Supplemental Basic Rent referable to the Series 1985 Bonds. The provisions of this section shall survive any termination of the Lease [including, without limitation, any termination pursuant to the provisions of any of

Sections 7.2(a), 10.2(b), 11.1 and 11.2 of the Lease, or any termination resulting from the expiration of the Lease Term], and if any Series 1985 Determination of Taxability occurs after such termination, the Company shall be obligated to pay such installment in addition to all Basic Rent paid prior to or at the termination of the Lease.

The obligation of the Company under this section are specifically subject to the provisions of Section 3.5 of the Second Supplemental Indenture, and in the event that the Holder of any Series 1985 Bond elects not to require the redemption of the Series 1985 Bonds held by such Holder as a result of a Series 1985 Event of Taxability, it will be necessary for the Company to make the payment required by this section in an amount sufficient only to redeem those Series 1985 Bonds required to be redeemed, and it will not be necessary for the Company to make payments necessary to redeem those Series 1985 Bonds with respect to which the Holder thereof has elected not to require redemption.

Section 6.2 Confirmation of Options. All the options granted to the Company in Article XI of the Lease are hereby confirmed as if granted on the date hereof. Without in any way limiting the generality of the foregoing, the issuance of the Series 1985 Bonds, the carrying out of the acquisition and installation of the Second Additional Equipment and the inclusion of the Second Additional Equipment as part of the "Project" referred to in the Lease shall not be considered to cause or result in any change in (1) the option price payable by the Company in the event of its exercise of the option to purchase the Project granted in Section 11.3 of the Lease or (2) any other conditions applicable to the exercise of said option by the Company.

Section 6.3 Prior Approval of the Company Required for Optional Redemption of Bonds. Without the prior written approval of the Company, the Board will not take any action for the redemption of the Series 1984 Bonds pursuant to the provisions of Section 7.3 of the Indenture or for the redemption of any of the Series 1985 Bonds pursuant to the provisions of Section 3.3 of the Second Supplemental Indenture.

Section 6.4 Confirmation of the Lease. As modified and supplemented by this Second Supplemental Lease Agreement, the Lease is in all things and respects hereby ratified and confirmed.

Section 6.5 Reference to Basic Rent in Article X of the Lease. The Company and the Board acknowledge and agree that from and after the issuance of the Series 1985 Bonds, any reference to "Basic Rent" in Article X of the Lease, shall, unless the context and the circumstances clearly and unequivocally indicate otherwise, be construed to include the "Supplemental Basic Rent" herein required by the Company to be paid to the Board, but only to the end that the failure by the Company to pay the Supplemental Basic Rent provided for herein shall constitute an "Event of Default" under the Lease shall be governed by the provisions of Article X of the Lease.

Section 6.6 Covenants with Respect to Exemption of Interest on Series 1985 Bonds from Federal Income Taxation. The Series 1985 Bonds are being issued by the Board in compliance with the conditions necessary for the interest income on the Bonds to be exempt from federal income taxation pursuant to the provisions of Section 103(b)(6) of the Code relating to "industrial development bonds" substantially all the proceeds of which are to be used for the acquisition, construction, reconstruction or improvement of land or property subject to the allowance of depreciation. The Board and the Company covenant with each other and with the Trustee for the benefit of the holders of any Series 1985 Bonds, present and future, that neither of them will cause or permit the proceeds of the Series 1985 Bonds to be used in a manner which would cause the interest on the Series 1985 Bonds to lose the exemption from federal income taxation conferred by Section 103(b)(6) of the Code and the applicable regulations thereunder.

The Company will file, or cause to be filed, with the Internal Revenue Service all statements and reports required by Section 103(l) of the Code and the applicable regulations thereunder, to be so filed as a condition to continued qualification of the Series 1984 Bonds as a small issue the interest on which is exempt from federal income taxation.

Section 6.7 No-Arbitrage Covenants. Neither the Board nor the Company will take any action, or omit to take any action, with respect to the investment of any of the proceeds from the sale of the Series 1985 Bonds, if, as a result of such action by the Board or the Company, or the omission of the Board or the Company to take such action, as the case may be, such proceeds or revenues would be invested in a manner causing the Series 1985 Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Code and the applicable regulations thereunder.

The Company will not cause or permit any proceeds of the Series 1985 Bonds to be invested in a manner contrary to the provisions of Section 103(c)(6) of the Code and the applicable regulations thereunder and will assure compliance with such requirements on behalf of the Board. Not later than thirty (30) days after the end of each Bond Year, the Company will furnish to the Board and the Trustee a report showing the amounts that will be required to be paid to the United States of America pursuant to the provisions of said Section 103(c)(6) as of the end of such Bond Year. The Company will timely pay to the United States of America, for the account of the Board, all amounts required to be so paid in accordance with said Section 103(c)(6) and will maintain, on behalf of the Board, all records required to be maintained pursuant to said Section 103(c)(6). The Company agrees to furnish to the Board and the Trustee such reports, certificates and documentation (including, without limitation, certificates of accountants and opinions of counsel) as they may reasonably request to evidence compliance with the provisions of this section.

Section 6.8 Certain Prior and Contemporaneous Agreements Cancelled. Except for the Inducement Agreement, the Lease, as amended by the First Supplemental Lease and this Second Supplemental Lease Agreement, shall completely and fully supersede all other prior or contemporaneous agreements, both written and oral, between the Board and the Company relating to the Project Improvement Work and the leasing of the Project, and if any provision of the Inducement Agreement is in

conflict with any provision of the Lease, the First Supplemental Lease or this Second Supplemental Lease Agreement, such provision of the Inducement Agreement shall be deemed amended or modified to the extent necessary to avoid such conflict, all to the end that the Board and the Company shall look to the Lease, the First Supplemental Lease and this Second Supplemental Lease Agreement for ultimate definition and determination of their respective rights, liabilities and responsibilities respecting the Project Improvement Work and the Project. The Company and the Board acknowledge that they have no outstanding agreement, commitment or understanding, either express or implied, for the grant to the Company of any option to purchase the Project or any part thereof other than those contained in the Lease and this Second Supplemental Lease Agreement.

Section 6.9 Concerning the Governmental Service Fee. Reference is hereby made to Section 5.9 of the Lease, wherein it is provided that the Company shall pay to the County, on or before December 31 in each year during the term of the Lease beginning with 1985, a governmental service fee in the amount of \$1,032.00, which said Section 5.9 was amended in the First Supplemental Lease to provide that such governmental service fee would be \$1,441.60 during such period. Said Section 5.9 is hereby further amended to provide that such governmental service fee shall be \$1,540.60 during such period.

Section 6.10 Priority of Indenture. Anything contained in any of the Basic Agreements (including, without limitation, Section 9.2 of the Lease) to the contrary notwithstanding, the leasehold interest of the Company under the Lease, as from time to time amended, shall be subject and subordinate to the liens of the Indenture and the Cook Mortgage (as applicable).

Section 6.11 Subordinate Mortgages Prohibited. Anything contained herein to the contrary notwithstanding, subordinate mortgages and other subordinate liens or encumbrances on the Project shall not be permitted without the prior written consent of the Holders of all the Bonds at the time outstanding.

Section 6.12 Removal of Equipment. Anything contained in any of the Basic Agreements to the contrary notwithstanding, Project Equipment may not be sold or otherwise disposed of unless

(i) the Company shall substitute for the same other personal property or fixtures not necessarily of the same character but of at least equal value to the Company as, and costing not less than the amount realized from, the item of Project Equipment disposed of, which shall be free from all liens and encumbrances other than Permitted Encumbrances and shall forthwith become, without further action, property of the Board and a part of the Project Equipment subject to the demise of the Lease and to the lien of the Indenture; and

(ii) the Company obtains the prior written consent of the Holders of all the Bonds at the time outstanding if the original cost of such item of

Project Equipment, when added to the original cost of all other items of Project Equipment disposed of in the same fiscal year, exceeds five percent (5%) of the original principal amount of the Bonds.

Within thirty (30) days after the end of each fiscal year, the Company shall deliver to the Trustee a report containing (i) a description of each item of Project Equipment disposed of during such fiscal year, the original cost thereof and the amount realized from such dispositions; and (ii) a description of each item of Project Equipment substituted for the item or items so disposed of during such fiscal year and the cost of such substituted equipment.

Section 6.13 Destruction or Condemnation. Anything contained in any of the Basic Agreements to the contrary notwithstanding, loss proceeds of insurance with respect to damage or destruction of the Project and condemnation award with respect to the Project shall, at the option of the Holders of a majority in principal amount of the Bonds at the time outstanding, be applied to the payment of the Bonds or applied to the cost of restoration of the Project.

Section 6.14 Binding Effect. This Second Supplemental Lease Agreement shall inure to the benefit of and shall be binding upon the Board, the Company and their respective successors and assigns.

Section 6.15 Severability. In the event any provision of the Lease, the First Supplemental Lease or this Second Supplemental Lease Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision of the Lease, the First Supplemental Lease or this Second Supplemental Lease Agreement. Without in any way limiting the generality of the foregoing, the Company specifically acknowledges and agrees that the several purchase options granted it in the Lease as further supplemented and confirmed by the First Supplemental Lease and this Second Supplemental Lease Agreement are fully severable from and independent of the other provisions therein and herein contained and that neither the invalidity or unenforceability of any of such purchase options shall invalidate or render unenforceable any other provisions of the Lease, the First Supplemental Lease or this Second Supplemental Lease Agreement nor excuse the Company from fully performing and observing any of the agreements and covenants on its part therein or herein contained.

Section 6.16 Article and Section Captions. The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

IN WITNESS WHEREOF, the Board and the Company have caused this Second Supplemental Lease Agreement to be executed in their respective corporate names, have caused their respective corporate seals to be hereunto affixed, have caused this Second Supplemental Lease Agreement to be attested, all by their duly authorized officers, all in six (6) counterparts, each of which shall be deemed an

original, and have caused this Second Supplemental Lease Agreement to be dated as of October 1, 1985, although actually executed and delivered by the parties hereto on October 28, 1985.

THE INDUSTRIAL DEVELOPMENT BOARD
OF SHELBY COUNTY

By *MM Rogers*
Chairman of its Board of Directors

ATTEST:
[Signature]
Its Secretary



COOK PUBLICATIONS, INC.
By *A. H. Cook*
Its President

ATTEST:
Margaret B. Cook
Its Secretary



BOOK 048 PAGE 136

STATE OF ALABAMA)
 :
SHELBY COUNTY)

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

GIVEN under my hand and official seal of office, this 8th day of October, 1985.

ALSTON
[NOTARIAL SEAL]

E. Lerion Ray
Notary Public

My Commission Expires: 9/8/89

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that A. PHILIP COOK, JR., whose name as President of COOK PUBLICATIONS, INC., a corporation organized and existing under the laws of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

GIVEN under my hand and official seal of office, this 29th day of October, 1985.

ALSTON
[NOTARIAL SEAL]

E. Lerion Ray
Notary Public

My Commission Expires: 9/8/89

BOOK 048 PAGE 137

STATE OF ALABAMA)
SHELBY COUNTY)

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

GIVEN under my hand and official seal of office, this 8th day of October, 1985.

[NOTARIAL SEAL]

S. Lerion Ray
Notary Public

My Commission Expires: 9/8/89

STATE OF ALABAMA)
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that M. J. Hess, whose name as ASSISTANT VICE PRESIDENT of AMSOUTH BANK N.A., a national banking association acting in its capacity as Trustee under the Mortgage and Trust Indenture of The Industrial Development Board of Shelby County dated as of May 1, 1984, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instruments, he, as such officer and with full authority, executed the same voluntarily for and as the act of said association in its capacity as Trustee as aforesaid.

GIVEN under my hand and official seal of office, this 28th day of October, 1985.

[NOTARIAL SEAL]

S. Lerion Ray
Notary Public

My Commission Expires: 9/8/89

EXHIBIT A
to
SECOND SUPPLEMENTAL LEASE AGREEMENT
between
THE INDUSTRIAL DEVELOPMENT BOARD
OF SHELBY COUNTY
and
COOK PUBLICATIONS, INC.
dated as of October 1, 1985

The Second Additional Equipment referred to in the Second Supplemental Lease Agreement of which this Exhibit A forms a part initially consists of the following:

DS-America Camera System with accessories
Dupont Cronoflow Processor
Signode Banding and Shrink Wrap System
General Platform Scales
Ingersoll-Rand Type 30 Air Compressor,
Receiving Tank and Wiring
Time Tracks Job Costing Data Collection System
Monocomp Exposure Unit
Ebway Press Unit Infeed System

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STATE OF ALA. SHELBY CO.
I CERTIFY THIS
INSTRUMENT WAS FILED

1985 NOV -6 PM 3:44

Thomas C. Henderson, Jr.
JUDGE OF COURSE

RECORDING FEES	
Recording Fee	\$ <u>77.50</u>
Index Fee	<u>1.00</u>
TOTAL	<u>\$ 78.50</u>

