



**INDENTURE AND SECURITY AGREEMENT** between **THE INDUSTRIAL DEVELOPMENT BOARD OF SHELBY COUNTY**, a public corporation organized and existing under the laws of the State of Alabama, party of the first part, and **AMSOUTH BANK N.A.**, a national banking association having its principal office in Birmingham, Alabama, party of the second part;

### **RECITALS**

The party of the first part makes the following recitals of fact as the basis for the undertaking following: it is duly incorporated under the provisions of Code of Alabama 1975, Title 11, Chapter 20, Article 2, by Certificate of Incorporation duly filed for record in the office of the Judge of Probate of Shelby County, Alabama; its Certificate of Incorporation has not been amended or revoked and is in full force and effect; it is not in default under any of the provisions contained in its Certificate of Incorporation, in its bylaws or in the laws of the State of Alabama; it has power to enter into the Lease hereinafter referred to and to perform all undertakings and obligations on its part contained in said Lease; by proper corporate action it has duly authorized the issuance of the Series 1985-B Bonds hereinafter referred to; and to secure payment of the principal of and the interest and premium (if any) on the Series 1985-B Bonds to be issued hereunder, it has by proper corporate action duly authorized the execution and delivery of this Indenture and Security Agreement.

### **NOW, THEREFORE, THIS INDENTURE AND SECURITY AGREEMENT**

### **WITNESSETH:**

For the aforesaid purpose and in consideration of the respective agreements herein contained, it is hereby agreed between the parties signatory hereto and the holders of all the Series 1985-B Bonds issued hereunder (the holders of said Series 1985-B Bonds evidencing their consent hereto by their acceptance of said Series 1985-B Bonds and the parties signatory hereto evidencing their consent hereto by their execution hereof), each with the others, as follows (provided, that in the performance of any of the agreements of the party of the first part herein contained, any obligation it may thereby incur for the payment of money shall not be a general debt on its part but shall be payable solely out of the revenues and receipts derived from the sources of payment hereinafter specified):

### **ARTICLE I**

#### **DEFINITIONS AND USE OF PHRASES**

**Section 1.1 Definitions.** Unless the context clearly indicates a different meaning, the following words and phrases, as used herein, shall have the following respective meanings:

**"Acquisition Fund"** means the "Southern Truck Leasing Acquisition Fund" created in Section 7.2 hereof.

**"Act"** means the statutes codified as Code of Alabama 1975, Title 11, Chapter 20, Article 2, as now amended and supplemented and at the time in force and effect.

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

**"Basic Rent"** means (i) the moneys payable by the Company pursuant to the provisions of Section 5.2 of the Lease, (ii) any other moneys payable by the Company under the Lease to provide for the payment of the principal of and the interest and the premium (if any) on the Series 1985-B Bonds, and (iii) any other moneys payable by the Company under the Lease that are therein referred to as Basic Rent.

**"Board"** means the party of the first part hereto and, subject to the provisions of Section 8.5 hereof, includes its successors and assigns and any public corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

**"Bond Counsel"** means Independent Counsel having nationally recognized standing in matters relating to the tax-exempt nature of interest on bonds issued by or on behalf of states or political subdivisions thereof.

**"Bond Payment Date"** means the twenty-fifth day of each calendar month, commencing January 25, 1986, on which any principal or interest with respect to the Series 1985-B Bonds shall mature and be due and payable or on which any principal amount of the Series 1985-B Bonds shall be required by the Indenture to be redeemed prior to the stated maturity thereof.

**"Bond Preference Tax"** means any tax or penalty hereafter imposed on or related to Tax-Exempt Obligations under the laws of federal income taxation, or under Alabama law including without limitation any preference tax, excess profits tax, minimum 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.

**"Bondholder"** means the Holder of any Series 1985-B Bond.

**"Code"** means the Internal Revenue Code of 1954, as amended and at the time in force and effect.

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**"Company"** means Wiley Sanders, Jr. d/b/a Southern Truck Leasing, a sole proprietorship, subject to the provisions of Section 8.3 of the Lease, and includes his heirs, legal representatives, successors and assigns.

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

**"Directors"** means the Board of Directors of the Board.

**"Eligible Investments"** means any of the following: (i) full faith and credit obligations of the United States ("Federal Securities"), (ii) AmSouth Bank N.A. certificates of deposit, (iii) certificates of deposit insured by the FDIC or FSLIC or collaterally secured by Federal Securities, or (iv) repurchase agreements, properly secured, with respect to Federal Securities.

**"Equipment"** means (i) all items (whether or not fixtures) of machinery, equipment and other personal property (including, without limitation, all items of Rolling Stock) the costs of which, in whole or in part, have been or are to be paid by the Board out of the proceeds of the Series 1985-B Bonds and (ii) all items (whether or not fixtures) of machinery, equipment and other personal property (including, without limitation, all items of Rolling Stock) that are acquired by the Board in substitution for or replacement of machinery, equipment and other personal property theretofore constituting part of the Equipment and that, under the provisions hereof, are to constitute part of the Equipment. As of the delivery date of this Indenture and Security Agreement, the Equipment is expected to consist of those items (whether or not fixtures) of machinery, equipment and other personal property that are described in Exhibit B attached hereto and made a part hereof.

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

**"Guarantor"** means Wiley Sanders, Jr., and includes his heirs, legal representatives, successors and assigns.

**"Holder"**, when used in conjunction with a Series 1985-B Bond, means the Person in whose name such Series 1985-B Bond is registered on the registry books of the Secured Party pertaining to the Series 1985-B Bonds.

**"Home Office Payment Agreement"** means (i) a special payment agreement between the Secured Party and any Bondholder or (ii) a special payment agreement among the Company, the Secured Party and any Bondholder, in any case complying with the provisions of Section 3.4 hereof.

**"Indenture"** means this Indenture and Security Agreement as it now exists and as it may from time to time be amended or supplemented in accordance with the provisions of Section 12.1 hereof.

**"Independent Counsel"** means Counsel having no continuing employment or business relationship or other connection with the Board, the Company, the Secured Party or any Affiliate of any thereof, which might compromise or interfere with the independent judgment of such Counsel in the performance of any services to be performed hereunder as Independent Counsel.

**"Irregular Denomination Series 1985-B Bond"** means either (i) any Series 1985-B Bond initially issued, pursuant to the applicable provisions hereof, in a principal amount not evenly divisible by \$1,000 or (ii) any Series 1985-B Bond at the time outstanding in a principal amount not evenly divisible by \$1,000.

**"Lease"** means that certain Lease Agreement dated as of December 1, 1985, pursuant to which the Board has leased the Equipment to the Company, as said Lease Agreement now exists and as it may from time to time be amended and supplemented in accordance with Section 12.2 hereof.

**"Lease Default"** means an "Event of Default" under the Lease, as such term is defined in Section 10.1 of the Lease.

**"outstanding"**, when used with reference to any of the Series 1985-B Bonds, means, at any date as of which the amount of such Series 1985-B Bonds outstanding is to be determined, all such Series 1985-B Bonds which have been theretofore authenticated and delivered under the Indenture, except (i) those of such Series 1985-B Bonds, or any portion of the principal thereof, cancelled after acquisition in the open market or otherwise, or on account of which payment at or redemption prior to maturity has been made, and (ii) those of such Series 1985-B Bonds in exchange for which, or in lieu of which, other Series 1985-B Bonds have been authenticated and delivered under the Indenture. In determining whether the Holders of a requisite aggregate principal amount of outstanding Series 1985-B Bonds have concurred in any request, demand, authorization, direction, notice, consent or waiver under the provisions of the Lease or the Indenture, Series 1985-B Bonds which are owned by the Company or any Affiliate thereof shall be disregarded and deemed not to be outstanding hereunder for the purpose of any such determination.

**"Permitted Encumbrance"**, when used with reference to the Equipment as of any particular time, means any of the following: (i) that certain Lease Agreement between the Board and Wiley Sanders Truck Lines, Inc. and that certain Indenture and Security Agreement between the Board and the Trustee, both dated December 1, 1984; (ii) that certain Lease Agreement between the Board and Wiley Sanders Truck Lines, Inc. and that certain Indenture and Security Agreement between the Board and the Trustee, both dated May 1, 1985; (iii) that certain Indenture and Security Agreement between the Board and the Trustee, dated December 1, 1985, with reference to the Series 1985-A Bonds; (iv) the Lease and the Indenture; (v) liens for ad valorem taxes not then delinquent; and (vi) liens imposed by law, such as mechanics', materialmen's and other like liens, securing obligations that are not yet due and payable.

**"Permitted Encumbrance"**, when used with reference to the Series 1985-A Equipment as of any particular time, means any of the following: (i) that certain Lease Agreement between the Board and Wiley Sanders Truck Lines, Inc.

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and that certain Indenture and Security Agreement between the Board and the Trustee, both dated December 1, 1984; (ii) that certain Lease Agreement between the Board and Wiley Sanders Truck Lines, Inc. and that certain Indenture and Security Agreement between the Board and the Trustee, both dated May 1, 1985; (iii) that certain Lease Agreement between the Board and Wiley Sanders Truck Lines, Inc. and that certain Indenture and Security Agreement between the Board and the Trustee, both dated December 1, 1985, with reference to the Series 1985-A Bonds; (iv) the Indenture; (v) liens for ad valorem taxes not then delinquent; and (vi) liens imposed by law, such as mechanics', materialmen's and other like liens, securing obligations that are not yet due and payable.

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

**"Prime Rate"** means the rate of interest announced from time to time by AmSouth Bank N.A., a national banking association with its principal office in the City of Birmingham, Alabama, as its prime rate, with the understanding that the said prime rate is one of the base rates from time to time established by said AmSouth Bank N.A. which serves as the basis upon which effective rates of interest are calculated for those loans of money making reference to the said prime rate and is evidenced by the recording thereof after its announcement in such publication or publications as the said AmSouth Bank N.A. may designate. For the purpose of calculating the effective rate of interest on the Series 1985-B Bonds, any change in the Prime Rate shall be effective on the date such change is announced.

**"Project"** means the Equipment.

**"Qualifying Costs"** means those costs of acquiring and installing the Equipment that are expended solely for the purpose of acquiring, constructing, reconstructing or improving land or property of a character subject to the allowance for depreciation within the meaning of Section 103(b)(6) of the Code and the applicable regulations thereunder to the extent that such costs are properly chargeable by the Company to capital account or would be so chargeable either with a proper election by the Company or but for a proper election by the Company to deduct such costs in the computation of its federal income tax.

**"Rolling Stock"** means those certain truck trailers constituting a part of the Equipment.

**"Secured Party"** means the party of the second part hereto, its successors under the provisions of Section 11.5 hereof, and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

**"Series 1985-A Bonds"** means those certain Industrial Revenue Bonds (Wiley Sanders Truck Lines, Inc. Project), Series 1985-A, authorized to be issued by a separate indenture dated December 1, 1985, in the principal amount of \$1,155,000.

**"Series 1985-A Equipment"** means (i) all items (whether or not fixtures) of machinery, equipment and other personal property (including, without limitation,

all truck tractors) the costs of which, in whole or in part, have been or are to be paid by the Board out of the proceeds of the Series 1985-A Bonds and (ii) all items (whether or not fixtures) of machinery, equipment and other personal property (including, without limitation, all truck tractors) that are acquired by the Board in substitution for or replacement of machinery, equipment and other personal property theretofore constituting part of the Series 1985-A Equipment and that, under the provisions hereof, are to constitute part of the Series 1985-A Equipment. As of the delivery date of this Indenture and Security Agreement, the Series 1985-A Equipment is expected to consist of those items (whether or not fixtures) of machinery, equipment and other personal property that are described in Exhibit C attached hereto and made a part hereof.

**"Series 1985-A Indenture"** means that certain Indenture and Security Agreement between the Board and the Trustee dated December 1, 1985, with reference to the Series 1985-A Bonds.

**"Series 1985-A Lease"** means that certain Lease Agreement between the Board and the Company dated December 1, 1985, with reference to the Series 1985-A Bonds.

**"Series 1985-B Bonds"** means those certain Industrial Revenue Bonds (Southern Truck Leasing Project), Series 1985-B, authorized to be issued in Article III hereof.

**"Series 1985-B Determination of Taxability"** means a determination that the interest income on the Series 1985-B Bonds is subject to federal income taxation as a result of an Series 1985-B 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 Secured Party to the effect that the interest income on the Series 1985-B 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-B Event of Taxability and (ii) by an opinion of Independent Counsel acceptable to the Secured Party that the interest income on the Series 1985-B Bonds is subject to federal income taxation as a result of the occurrence of an Series 1985-B Event of Taxability; or

(b) the date on which the Company or the Holder or any former Holder of any of the Series 1985-B 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-B 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-B 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

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Holder or former Holder the interest on the Series 1985-B Bonds due to the occurrence of a Series 1985-B Event of Taxability or (ii) by any authorized official of the Internal Revenue Service that the interest on the Bonds is includable in the gross income of such Holder or former Holder due to the occurrence of a Series 1985-B Event of Taxability; or

(d) the date on which the Holder or any former Holder of any of the Series 1985-B Bonds shall determine in good faith, evidenced by an opinion of Independent Counsel, that a Series 1985-B Event of Taxability has occurred.

"Series 1985-B 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-B Bonds being or becoming includable in the gross income of the Holder for purposes of 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-B 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 Project is placed in service; or

(b) as a result of capital expenditures being paid or incurred with respect to "facilities" described in Section 103(b)(6)(E) of the Code and the applicable regulations thereunder, the aggregate face amount of the Bonds, determined in accordance with the provisions of Section 103(b)(6)(D) of the Code, exceeds the limit permitted by the said Section 103(b)(6)(D);

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

(d) 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-B 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-B Bonds to be or become subject to federal income taxation; or

(e) 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-B Bonds; or

(f) 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-B Bonds in the opinion of Independent Counsel acceptable to

the Secured Party, that the Board lacks the power to issue the Series 1985-B Bonds or to enter into the Lease or the Indenture or that the Series 1985-B 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-B Event of Taxability shall be deemed to have occurred with respect to any Series 1985-B Bond if the interest thereon shall be subject to federal income taxation for any period solely because during that period such Series 1985-B Bond was held by a Person who is a Substantial User of the Project or by a Related Person.

"Series 1985-B Guaranty" means that certain Guaranty Agreement dated as of December 1, 1985, between Wiley C. Sanders, Jr. and the Secured Party in and by which Wiley Sanders, Jr. has unconditionally guaranteed the payment by the Board of the principal of and the interest on the Series 1985-B Bonds and has agreed to pay or discharge certain other obligations relating to the Series 1985-B Bonds, as such Guaranty Agreement may from time to time be amended in accordance with the provisions thereof.

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

"Terminal Buildings" means the office and truck terminal buildings and related improvements that are located on the Terminal Site, as such buildings and related improvements may at any time exist.

"Terminal Facilities" means the Terminal Site and the Terminal Buildings.

"Terminal Site" means (i) the parcel of land specifically described in Exhibit A to the Lease and (ii) any other land that, at the time and under the terms of the Lease, constitutes a part of the Terminal Site.

"Trustee" means Secured Party.

**Section 1.2 Definitions Contained in the Lease.** Unless the context clearly indicates a different meaning, any words, terms or phrases that are used in the Indenture as defined terms without being herein defined and that are defined in the Lease shall have the meanings respectively given them in the Lease.

**Section 1.3 Use of Phrases.** "Herein", "hereby", "hereunder", "hereof", "hereinafter", "hereinafter" and other equivalent words refer to the Indenture as a whole and not solely to the particular portion thereof 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**  
**GRANTING CLAUSES**

Section 2.1 **Granting Clauses.** In order to secure to the Holders thereof payment of the principal of and the interest and premium (if any) on the Series 1985-B Bonds and the performance and observance of the covenants and conditions herein and therein contained, and in consideration of its purchase and acceptance of the Series 1985-B Bonds and of the acceptance by the Secured Party of the rights, titles and interests conveyed hereby, the Board does hereby grant, bargain, sell and convey, assign, transfer and pledge to and with the Secured Party, and does hereby grant to the Secured Party a security interest in, the following described properties of the Board, whether the same are now owned by it or may be hereafter acquired:

**I**

All items (whether or not fixtures) of machinery, equipment and other personal property that at any time, under the provisions of the Lease or the Indenture, constitute the Equipment, including, without limitation, the items (whether or not fixtures) of machinery, equipment and other personal property generally described in Exhibit B attached hereto and made a part hereof;

**II**

All revenues and receipts derived by the Board from the leasing or sale of the Equipment (including, without limitation, the Basic Rent payable by the Company pursuant to the Lease) and all other moneys from time to time held by the Secured Party for the benefit of the Bondholders pursuant to the Indenture, together in each case with any investments and reinvestments of such moneys and proceeds thereof, but not including, however, any moneys payable by the Company to the Board or to Persons other than the Secured Party or Bondholders pursuant to the provisions of any of Sections 5.4, 8.1 and 10.4 of the Lease;

**III**

The moneys required by the Lease and the Indenture to be deposited in the Acquisition Fund, together with any investments and reinvestments of such moneys and the proceeds thereof, subject, however, to the disbursement and use thereof in accordance with the provisions of the Lease and the Indenture;

**IV**

All right, title and interest of the Board in and to the Lease [except the right to require the Company to pay certain expenses incurred by the Board as provided in Sections 5.4 and 10.4 of the Lease and the release and indemnification

rights of the Board and other Persons contained in Section 8.1 of the Lease ], but not including, however, any of the obligations of the Board under the Lease; and

V

Any and all moneys, rights and properties of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with, the Secured Party by the Board or anyone on behalf of the Board, as additional security for the payment of the principal of and the interest and premium (if any) on the Series 1985-B Bonds, or which pursuant to any of the provisions hereof or of the Lease, may come into the possession or control of the Secured Party as such additional security; and the Secured Party is hereby authorized to receive any and all such moneys, rights and properties as and for additional security for the payment of the principal of and the interest and premium (if any) on the Series 1985-B Bonds and to hold and apply the same subject to the terms hereof;

VI

All items (whether or not fixtures) of machinery, equipment and other personal property that at any time constitute the Series 1985-A Equipment, including, without limitation, the items (whether or not fixtures) of machinery, equipment and other personal property generally described in Exhibit C attached hereto and made a part hereof;

VII

All revenues and receipts derived by the Board from the leasing or sale of the Series 1985-A Equipment (including, without limitation, the basic rent payable by Wiley Sanders Truck Lines, Inc. pursuant to the Series 1985-A Lease) and all other moneys from time to time held by the secured party for the benefit of the bondholders pursuant to the Series 1985-A Indenture, together in each case with any investments and reinvestments of such moneys and proceeds thereof, but not including, however, any moneys payable by Wiley Sanders Truck Lines, Inc. to the Board or to Persons other than the secured party or bondholders pursuant to the provisions of any of Sections 5.4, 8.1 and 10.4 of the Series 1985-A Lease;

VIII

The moneys required by the Series 1985-A Lease and the Series 1985-A Indenture to be deposited in the acquisition fund, together with any investments and reinvestments of such moneys and the proceeds thereof, subject, however, to the disbursement and use thereof in accordance with the provisions of the Series 1985-A Lease and the Series 1985-A Indenture;

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## IX

All right, title and interest of the Board in and to the Series 1985-A Lease [except the right to require Wiley Sanders Truck Lines, Inc. to pay certain expenses incurred by the Board as provided in Sections 5.4 and 10.4 of the Series 1985-A Lease and the release and indemnification rights of the Board and other Persons contained in Section 8.1 of the Series 1985-A Lease], but not including, however, any of the obligations of the Board under the Series 1985-A Lease;

TO HAVE AND TO HOLD the same unto the Secured Party, its successors and assigns forever, subject to Permitted Encumbrances, upon the terms and conditions herein set forth, for the equal and pro rata protection and benefit of the Holders, present and future, of the Series 1985-B Bonds, equally and ratably, without preference, priority or distinction of any Series 1985-B Bonds over any other Series 1985-B Bonds;

PROVIDED, HOWEVER, that these presents are upon the conditions that: (1) if the Board shall pay or cause to be paid the principal of and the interest and premium (if any) on the Series 1985-B Bonds secured hereby at the times and in the manner provided herein and in the Series 1985-B Bonds, according to the true intent and meaning hereof and thereof, and shall pay or cause to be paid in full all other indebtedness secured by the Indenture, then the Indenture and the estate and rights granted hereby shall cease, determine and be void; otherwise the Indenture shall be and remain in full force and effect; and (2) if the Board shall pay or cause to be paid the principal of and the interest and premium (if any) on the Series 1985-A Bonds and the Series 1985-B Bonds secured hereby at the times and in the manner provided herein and in the Series 1985-A Bonds and the Series 1985-B Bonds, according to the true intent and meaning hereof and thereof, and shall pay or cause to be paid in full all other indebtedness secured by the Series 1985-A Indenture and the Indenture, then the Indenture and the estate and rights granted hereby, as they apply to subparagraphs VI, VII, VIII and IX of this Section 2.1, shall cease, determine and be void; otherwise the Indenture shall be and remain in full force and effect.

## ARTICLE III

## THE SERIES 1985-B BONDS

Section 3.1 **Authorized Amount of Series 1985-B Bonds. Interest Rates and Other Terms of Series 1985-B Bonds.** There is hereby authorized to be issued under the Indenture an issue of bonds designated Industrial Revenue Bonds (Southern Truck Leasing Project), Series 1985-B, limited in aggregate principal amount to \$341,000. The Series 1985-B Bonds shall (except as otherwise provided in Sections 5.1 and 5.2 hereof) be dated the dates of their authentication and delivery by the Secured Party. Subject to and in accordance with the provisions of Article V hereof, any Series 1985-B Bonds hereunder may be exchanged by the Holder thereof for other Series 1985-B Bonds in the denomination of \$1,000 or any integral multiple thereof.

The Series 1985-B Bonds shall be initially issued as a single fully registered bond without coupons, in the principal amount of \$341,000, numbered R-1, and payable to the original purchaser thereof from the Board.

The outstanding principal of the Series 1985-B Bonds shall mature on January 25, 1990 and shall bear interest from their respective dates until paid (whether at the maturity thereof or prior to maturity as a result of acceleration, redemption or otherwise) at the rate of 9.00 percent per annum.

If the highest marginal rate of federal income taxation imposed on domestic corporations (the "Maximum Corporate Tax Rate") increases or decreases after the date of original issuance of the Series 1985-B Bonds, the effective rate of interest on the Series 1985-B Bonds shall be adjusted, effective on the first day of the calendar month next succeeding the effective date of such increase or decrease, to equal the product (rounded to the third decimal point) of (i) 9.00% times (ii) a fraction the numerator of which is the number 1 minus the Maximum Corporate Tax Rate (expressed as a decimal) in effect following such increase or decrease and the denominator of which is the number 1 minus the Maximum Corporate Tax Rate (expressed as a decimal) in effect on the date of original issuance of the Series 1985-B Bonds. Upon the occurrence of a Series 1985-B Event of Taxability, however, the principal amount of Series 1985-B Bonds that was outstanding and unpaid on the date of the occurrence of such Series 1985-B Event of Taxability shall bear interest at a rate equal to one percent (1%) above the Prime Rate from time to time in effect from the date of the occurrence of such Series 1985-B Event of Taxability until paid (whether by acceleration, mandatory redemption or otherwise). Not later than thirty (30) days following the Series 1985-B Determination of Taxability with respect to such Series 1985-B Event of Taxability, the Board shall pay the additional interest due on such outstanding principal amount of the Series 1985-B Bonds at the aforesaid rate equal to one percent (1%) above the Prime Rate coming due as a result of such Series 1985-B Event of Taxability to such Series 1985-B Determination of Taxability or until the date such principal amount of Series 1985-B Bonds matured or was redeemed or paid, whichever shall occur first, taking into account the interest which has or will become due on such principal amount of the Series 1985-B Bonds during such period at the rate of 9.00 percent per annum.

Overdue installment of principal of and interest on the Series 1985-B Bonds, including all such installments becoming due as a result of acceleration or mandatory redemption, shall bear interest from their respective due dates until paid at the per annum rate applicable to the Series 1985-B Bonds. All interest on the Series 1985-B Bonds (including, without limitation, interest on overdue installments of principal and interest) shall be computed on the basis of a 360-day year for the actual number of days elapsed, meaning that the interest accrued for each day shall equal the amount obtained by dividing the stated interest rate applicable on that day by 360 and multiplying the result by the unpaid principal balance on that day.

In addition to the interest to be paid on the Series 1985-B Bonds as provided above, 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-B 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-B Bonds, then the Board shall also pay to any such Holder thereof,

within ten (10) days after receipt by the Board of written demand therefor (accompanied by appropriate verification), an amount which after deduction of all federal, state and local income taxes will equal such Bond Preference Tax.

The principal of and the interest and premium (if any) on the Series 1985-B Bonds shall be payable in accordance with the provisions of Section 3.3 hereof, except that the interest on the Series 1985-B Bonds and the redemption price of any partial redemptions of the principal of the Series 1985-B Bonds may be payable in accordance with Home Office Payment Agreements made in accordance with the provisions of Section 3.4 hereof. The principal of and the interest and premium (if any) on the Series 1985-B Bonds shall be payable in lawful money of the United States of America.

**Section 3.2 Irregular Denomination Series 1985-B Bonds.** In the event of (i) any transfer of the Series 1985-B Bonds pursuant to the provisions of Section 5.1 hereof, (ii) any exchange of Series 1985-B Bonds for other Series 1985-B Bonds pursuant to the provisions of Section 5.2 hereof, or (iii) any partial redemption of the principal of any Series 1985-B Bonds, then, and in any of such events, new Series 1985-B Bonds shall be issued only in denominations of \$1,000 or any integral multiple thereof, except as may be otherwise provided by the succeeding provisions of this section. If one or more Series 1985-B Bonds are transferred to any Person who, prior to such transfer, did not own any Series 1985-B Bonds, then, if necessary to evidence the transfer of such Series 1985-B Bond or Bonds, not more than one Irregular Denomination Series 1985-B Bond may be issued to such Person, along with such other Series 1985-B Bonds (if any) in denominations of \$1,000 or any integral multiple thereof as shall be requested by such Person and as shall, together with such Irregular Denomination Series 1985-B Bond, have an aggregate principal amount equal to that of the Series 1985-B Bond or Bonds so transferred. If one or more Series 1985-B Bonds are transferred to any Holder who, prior to such transfer, already owned one or more Series 1985-B Bonds, or if any principal amount of Series 1985-B Bonds is to be exchanged by any Holder for a like principal amount of Series 1985-B Bonds in different denominations, or if any Series 1985-B Bond is called for partial redemption, then, and in any such case, if necessary to accomplish such transfer, exchange or partial redemption, as the case may be, not more than one Irregular Denomination Series 1985-B Bond may be issued to any such Holder, along with such other Series 1985-B Bonds (if any) in denominations of \$1,000 or any integral multiple thereof as shall be requested by such Holder and as shall, together with such Irregular Denomination Series 1985-B Bond, have an aggregate principal amount equal to that of the Series 1985-B Bond or Bonds so transferred, exchanged or left unredeemed, as the case may be; provided, however, that if the Holder to whom such transfer is to be made, or the Holder requesting such exchange, or the Holder owning the Series 1985-B Bond to be partially redeemed, as the case may be, already owns one or more Irregular Denomination Series 1985-B Bonds, no new Irregular Denomination Series 1985-B Bond shall be authenticated and delivered by the Secured Party in connection with such transfer, exchange or partial redemption unless such Holder surrenders to the Secured Party all outstanding Irregular Denomination Series 1985-B Bonds then owned by such Holder and requests the issuance of new Series 1985-B Bonds in an aggregate principal amount equal to the principal amount of the Series 1985-B Bond or Bonds to be so transferred, exchanged or left unredeemed, as the case may be, plus the principal amount of the outstanding

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Irregular Denomination Series 1985-B Bonds so surrendered, which such aggregate principal amount of new Series 1985-B Bonds shall consist of Series 1985-B Bonds in the denomination of \$1,000 or any integral multiple thereof and not more than one Irregular Denomination Series 1985-B Bond in such combination as may be requested by such Holder. The preceding provisions of this paragraph shall be construed to the end that no Holder of any Series 1985-B Bonds shall, as a result of any transfer or exchange of Series 1985-B Bonds initiated or requested by such Holder, become the Holder of more than one Irregular Denomination Series 1985-B Bond.

**Section 3.3 Payment of Series 1985-B Bonds.** The Secured Party shall be the paying agent for the Series 1985-B Bonds and, except to the extent that any Basic Rent may be payable directly to Bondholders other than the Secured Party pursuant to a Home Office Payment Agreement, the Secured Party shall apply the Basic Rent to the payment of the principal of and interest and premium (if any) on the Series 1985-B Bonds in accordance with the provisions thereof and the provisions of the Indenture. The Secured Party will maintain a record of all payments of principal, interest and premium (if any) with respect to each of the outstanding Series 1985-B Bonds (including the payments resulting from the redemption of principal thereof prior to maturity), and such record shall include the amount of each payment, the allocation of such amount to principal, interest and premium (if any), the name of the Holder to whom such payment was made, and the date of such payment. The Secured Party will include in such record all payments of Basic Rent made directly by the Company to Bondholders pursuant to Home Office Payment Agreements, but only if and to the extent that the Company performs its agreement in the last paragraph of Section 5.2 of the Lease to provide the Secured Party with information concerning such payments. At reasonable times and under reasonable conditions established by the Secured Party, the payment record for the Series 1985-B Bonds may be inspected and copied by the Board, the Company, the Shareholder, any Bondholder or the duly authorized agents and representatives of any thereof.

For so long as the Secured Party shall be the Holder of all of the outstanding Series 1985-B Bonds, the payment by the Company, directly to the Secured Party at its principal office located in Birmingham, Alabama, of all Basic Rent at any time due shall constitute payment of the principal, interest and premium (if any) then due with respect to the Series 1985-B Bonds. In the event that the Secured Party shall transfer any of the Series 1985-B Bonds to another Person and shall cease accordingly to be the Holder of all of the outstanding Series 1985-B Bonds, the Series 1985-B Bonds shall be payable by the Secured Party pursuant to the succeeding provisions of this section. The principal of and the premium (if any) on the Series 1985-B Bonds shall be payable at the principal office of the Secured Party located in Birmingham, Alabama, upon presentation and surrender of the Series 1985-B Bonds as the same shall become due. In case any Series 1985-B Bond is called for partial redemption, the redemption price of the principal thereof so called for redemption shall be payable at the principal office of the Secured Party (i) upon presentation and surrender of such Series 1985-B Bond in exchange for a new Series 1985-B Bond or Bonds of the same tenor and in authorized denominations having an aggregate principal amount equal to the unredeemed portion of the principal of the Series 1985-B Bond so surrendered, or (ii) upon presentation of such Series 1985-B Bond for an appropriate endorsement by the

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Secured Party of such partial redemption on such Series 1985-B Bond or on any record of partial redemptions appertaining thereto and constituting a part thereof. The interest on the Series 1985-B Bonds shall be paid by check or draft mailed or otherwise delivered by the Secured Party to the respective Holders thereof at their addresses as they appear on the registry books of the Secured Party pertaining to the registration of the Series 1985-B Bonds; provided, however, that the final payment of such interest shall be made only upon surrender of the appropriate Series 1985-B Bond to the Secured Party. The preceding provisions of this paragraph to the contrary notwithstanding, the interest on any Series 1985-B Bonds and the redemption price of any partial redemption of the principal thereof may be paid to the Holders thereof pursuant to a Home Office Payment Agreement complying with the conditions of Section 3.4 hereof.

**Section 3.4 Home Office Payment Agreements.** Any provision hereof to the contrary notwithstanding, the Holder of any Series 1985-B Bonds shall have the right to enter into a Home Office Payment Agreement providing for the payment of the interest on such Series 1985-B Bonds and the redemption price of any partial redemption of the principal thereof through wire transfers, crediting of bank accounts or other arrangements involving the rapid transfer of funds from bank to bank. A Home Office Payment Agreement may provide for the Secured Party to pay to a Bondholder the principal, interest and premium (if any) covered by such agreement after the Secured Party has received from the Company the Basic Rent referable to such principal, interest and premium (if any), in which case the only parties to such agreement shall be the Secured Party and such Bondholder, or, in the alternative, a Home Office Payment Agreement may provide for the Company to pay directly to a Bondholder the Basic Rent referable to the principal, interest and premium (if any) covered by such agreement, in which case the parties to such agreement shall be the Company, the Secured Party and such Bondholder. As provided in Section 5.2 of the Lease, the Company will inform the Secured Party of all payments made pursuant to a Home Office Payment Agreement which requires payment directly to a Holder of the Basic Rent referable to the Series 1985-B Bonds of such Holder. Every Home Office Payment Agreement, regardless of the parties thereto and the arrangements for payment made thereby, shall be subject to the following conditions:

(a) The specific terms and conditions of such agreement shall be satisfactory to the Secured Party and the Company;

(b) The final payment of the principal of and the interest and premium (if any) on any Series 1985-B Bond or Bonds covered by such agreement shall be made only upon the surrender of such Series 1985-B Bonds to the Secured Party;

(c) If such agreement provides for the partial redemption of the principal of any Series 1985-B Bond or Bonds without the surrender thereof in exchange for one or more new Series 1985-B Bonds in an aggregate principal amount equal to the unredeemed portion of such Series 1985-B Bond or Bonds or without the presentation thereof to the Secured Party for the endorsement thereon of such partial redemption, then such agreement

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(i) shall provide that the Holder of such Series 1985-B Bond or Bonds will not sell, pledge, transfer or otherwise dispose of the same unless prior to the delivery thereof it shall (A) surrender the same to the Secured Party in exchange for a new Series 1985-B Bond or Bonds in an aggregate principal amount equal to the aggregate unpaid principal of such Series 1985-B Bond or Bonds or (B) notify the Secured Party in writing of such sale, pledge, transfer or other disposition and deliver to the Secured Party a certificate certifying to the Secured Party that endorsement has been made on such Series 1985-B Bond or Bonds, or on a record of partial redemption appertaining to each such Series 1985-B Bond and constituting a part thereof, of all portions of the principal of each such Series 1985-B Bond which have been redeemed, and

(ii) shall provide (A) that, to the extent of the payment to the Holder of such Series 1985-B Bond or Bonds of the redemption price of any portion thereof called for redemption, the Board, the Company and the Secured Party shall be released from liability with respect to such Series 1985-B Bond or Bonds and the Company shall be released from liability for any Basic Rent referable thereto, and (B) that such Holder will indemnify and hold harmless the Board, the Company and the Secured Party against any liability arising from the failure of such Holder to make any endorsement on such Series 1985-B Bond or Bonds required by the preceding clause (i) or from an error or omission in such endorsement; and

(d) Such agreement shall provide that if, in accordance with the provisions of the Lease and all applicable Home Office Payment Agreements, the Company pays the Basic Rent necessary to pay the interest on the Series 1985-B Bonds due on any interest payment date or the redemption price of any Series 1985-B Bonds called for redemption on any date fixed for redemption, as the case may be, then the failure of the Holder of any such Series 1985-B Bonds to receive in a timely manner any payment due such Holder on such interest payment date or date fixed for redemption, as the case may be, because of a mistake, delay or other failure in the implementation of the method of payment prescribed by such Holder in such agreement shall not constitute an Event of Default, provided such mistake, delay or other failure is not due to the negligence of the Board or the Company.

**Section 3.5 Scheduled Mandatory Redemption of Series 1985-B Bonds.** The Series 1985-B Bonds shall be subject to mandatory redemption and payment on January 25, 1986, and on the twenty-fifth day of each calendar month thereafter to and including November 25, 1990, as follows:

The Series 1985-B Bonds shall be subject to mandatory redemption and payment on the following dates in the following amounts:

<u>Month</u>	<u>Principal Amount Due</u>	<u>Month</u>	<u>Principal Amount Due</u>
January 25, 1986	\$ 4,457.08	June 25, 1988	5,585.66
February 25, 1986	4,491.62	July 25, 1988	5,676.40
March 25, 1986	4,775.47	August 25, 1988	5,672.94
April 25, 1986	4,563.44	September 25, 1988	5,716.91
May 25, 1986	4,679.49	October 25, 1988	5,804.40
June 25, 1986	4,635.08	November 25, 1988	5,806.20
July 25, 1986	4,749.35	December 25, 1988	5,891.48
August 25, 1986	4,707.80	January 25, 1989	5,896.86
September 25, 1986	4,744.29	February 25, 1989	5,942.56
October 25, 1986	4,855.86	March 25, 1989	6,096.15
November 25, 1986	4,818.69	April 25, 1989	6,035.86
December 25, 1986	4,928.42	May 25, 1989	6,115.45
January 25, 1987	4,894.23	June 25, 1989	6,130.03
February 25, 1987	4,932.16	July 25, 1989	6,207.29
March 25, 1987	5,176.46	August 25, 1989	6,225.64
April 25, 1987	5,010.50	September 25, 1989	6,273.89
May 25, 1987	5,115.48	October 25, 1989	6,347.59
June 25, 1987	5,088.98	November 25, 1989	6,371.71
July 25, 1987	5,192.01	December 25, 1989	6,442.98
August 25, 1987	5,168.66	January 25, 1990	6,471.02
September 25, 1987	5,208.71	February 25, 1990	6,521.17
October 25, 1987	5,308.78	March 25, 1990	6,622.82
November 25, 1987	5,290.22	April 25, 1990	6,623.04
December 25, 1987	5,388.28	May 25, 1990	6,688.09
January 25, 1988	5,372.98	June 25, 1990	6,726.20
February 25, 1988	5,414.62	July 25, 1990	6,788.70
March 25, 1988	5,562.60	August 25, 1990	6,830.94
April 25, 1988	5,499.70	September 25, 1990	6,883.88
May 25, 1988	5,592.56	October 25, 1990	6,942.48
		November 25, 1990	6,991.03

There shall be a final principal payment at maturity of \$7,047.11.

Each Series 1985-B Bond (or portion of the principal thereof) called for such mandatory redemption shall be redeemed at and for a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption, and such redemption shall be effected in accordance with the applicable provisions of Section 3.8 and Article VI hereof. The Secured Party will take such actions as are necessary under the provisions hereof to redeem the principal amount of the Series 1985-B Bonds required by this section to be redeemed on each Bond Payment Date.

If less than all the outstanding Series 1985-B Bonds are redeemed pursuant to the provisions of Section 3.6 hereof, or if less than all the outstanding

Series 1985-B Bonds are acquired by the Company or an Affiliate thereof and surrendered to the Secured Party for cancellation and retirement, the principal amount of Series 1985-B Bonds so redeemed or surrendered for cancellation and retirement, as the case may be, shall be credited first against the principal amount of Series 1985-B Bonds scheduled to be retired at their final maturity (assuming that all mandatory redemptions required by this section shall be made as scheduled) and then in inverse chronological order against the mandatory redemptions of Series 1985-B Bonds required by this section, and unless and until all the Series 1985-B Bonds shall have been paid in full, no such redemption or surrender of less than all the Series 1985-B Bonds shall have the effect of extending or postponing the redemption date of any redemption of Series 1985-B Bonds required by this section or of reducing the principal amount of Series 1985-B Bonds required by this section to be redeemed on such date.

**Section 3.6 Optional Redemption of Series 1985-B Bonds.** At the option of the Board (subject to direction by the Company as hereinafter provided), the Series 1985-B Bonds shall be subject to redemption and payment on any date, as a whole or in part, at and for a redemption price, with respect to each Series 1985-B Bond (or portion of the principal thereof) called for redemption, equal to the principal amount to be redeemed plus accrued interest thereon to the date fixed for redemption. The redemption of Series 1985-B Bonds pursuant to this section shall comply with the applicable provisions of Article VI hereof, including the giving of such notice to the Holders of the Series 1985-B Bonds called for redemption as may be required by Section 6.1(b) hereof. Any redemption of less than all the Series 1985-B Bonds then outstanding pursuant to this section shall also comply with the provisions of Section 3.8 hereof.

For so long as no Lease Default shall have occurred and be continuing, the Board will from time to time redeem such principal amount of the Series 1985-B Bonds pursuant to this section as may be directed in writing by the Company and will not otherwise exercise its rights under this section without the written request or consent of the Company. At the written direction of the Company, the Board will at any time redeem all the then outstanding Series 1985-B Bonds pursuant to this section, regardless of whether a Lease Default shall have occurred and then be continuing.

**Section 3.7 Extraordinary Redemption of Series 1985-B Bonds.** The Series 1985-B Bonds shall be subject to extraordinary mandatory redemption prior to their stated maturity as follows:

(a) In the event that (i) all or substantially all of the Equipment is taken through the exercise of the power of eminent domain with the consequences described in Section 7.2(a) of the Lease or (ii) the Company exercises the option granted in Section 11.2 of the Lease to purchase the Equipment, then, and in either of such events, the Series 1985-B Bonds shall be subject to mandatory redemption as a whole, at and for a redemption price, with respect to each Series 1985-B Bond, equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption. In case all the Series 1985-B Bonds are required to be

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redeemed pursuant to clause (i) of the first sentence of this subsection, the date fixed for such redemption shall be the date on which the Lease terminates as provided in said Section 7.2 (a) thereof. In case all the Series 1985-B Bonds are required to be redeemed pursuant to clause (ii) of the first sentence of this subsection, the date fixed for such redemption shall be the date of purchase of the Equipment determined by the Company in accordance with the provisions of Section 11.2 of the Lease.

(b) In the event of a Series 1985-B Determination of Taxability, the Series 1985-B Bonds shall be subject to mandatory redemption as a whole, at and for a redemption price, with respect to each Series 1985-B Bond, equal to the principal amount thereof plus accrued interest thereon at the Prime Rate, plus 1%, effective as of the earliest date interest thereon was taxable to the Series 1985-B Taxability Redemption Date. In case all the Series 1985-B Bonds are required to be redeemed pursuant to this subsection (b), the Series 1985-B Taxability Redemption Date shall be the earliest practicable date, after the Series 1985-B Determination of Taxability, on which the Series 1985-B Bonds can be redeemed in accordance with their terms and the terms of the Indenture, but in no event later than sixty (60) days after the date of the Series 1985-B Determination of Taxability. If, in accordance with the provisions of Section 5.5 of the Lease, any moneys held in the Acquisition Fund are credited against any amount payable by the Company pursuant to said Section 5.5 in respect of the redemption of Series 1985-B Bonds, the Secured Party will not thereafter apply any of the moneys so held in such fund and so credited for any purpose other than the redemption of Series 1985-B Bonds. On the Series 1985-B Taxability Redemption Date, the Secured Party shall (i) segregate and set aside (out of any moneys held in the Acquisition Fund and any moneys payable by the Company pursuant to Section 5.5 of the Lease) moneys sufficient to provide for full redemption of the Series 1985-B Bonds and (ii) shall apply such moneys for the redemption and payment of the Series 1985-B Bonds in accordance with the applicable provisions of this subsection (b) as the same shall be presented for redemption and payment. The foregoing requirement of mandatory redemption shall be waived with respect to any Series 1985-B Bond the Holder of which has elected not to require such redemption in a written notice delivered to the Secured Party within sixty (60) days following the receipt by such Holder of the notice required by the provisions of Section 11.7 hereof to be delivered by the Secured Party to the Holders of all the then outstanding Series 1985-B Bonds.

The redemption of Series 1985-B Bonds pursuant to this section shall comply with the applicable provisions of Article VI hereof, including the giving of such notice to the Holders of Series 1985-B Bonds called for redemption as may be required by Section 6.1(b) hereof.

**Section 3.8 Special Provisions Respecting Partial Redemption and Purchase for Retirement of Series 1985-B Bonds.** If less than all the outstanding

Series 1985-B Bonds are to be redeemed prior to maturity at any one time, (i) the principal of Series 1985-B Bonds shall be redeemed only in the amount of one thousand dollars (\$1,000) or integral multiples thereof and (ii) the Secured Party shall allocate the principal amount to be redeemed at such time among all the Holders of the Series 1985-B Bonds then outstanding in the following manner: there shall be allocated to each such Holder, as nearly as practicable, the same proportion of the principal amount of Series 1985-B Bonds to be redeemed as the outstanding principal amount of all Series 1985-B Bonds held by such Holder bears to the aggregate principal amount of all Series 1985-B Bonds then outstanding. To the extent possible the individual amounts allocated to the Holders of the Series 1985-B Bonds in accordance with the preceding sentence shall be rounded up or down to the nearest integral multiple of one thousand dollars (\$1,000), but if the rounding of each such individual amount to the nearest integral multiple of one thousand dollars should result in the sum of such individual amounts being less than or greater than the amount available to redeem Series 1985-B Bonds, then in such case the Secured Party shall adjust such individual amounts to such extent as will cause the aggregate principal amount of Series 1985-B Bonds redeemed to equal as nearly as practicable the amount available for such redemption. The adjustment of such individual amounts shall be made by the Secured Party in an equitable manner, taking into account similar adjustments made in connection with prior redemptions, but in no event shall such adjustment result in the amount allocable to any Holder of the Series 1985-B Bonds being increased or decreased by more than one thousand dollars above or below the amount that would have been allocable to such Holder if such amount had been rounded to the nearest integral multiple of one thousand dollars.

In the event that any Series 1985-B Bond is called for partial redemption and the unredeemed principal of such Series 1985-B Bond is not evenly divisible by one thousand dollars, an Irregular Denomination Series 1985-B Bond shall, pursuant to the provisions of Sections 3.2 and 6.2 hereof, be issued by the Secured Party to the Holder of the Series 1985-B Bond so called for partial redemption in exchange for the surrender thereof.

The Secured Party shall cancel any Series 1985-B Bonds from time to time purchased by the Company or an Affiliate thereof and surrendered to the Secured Party for cancellation, provided that no Series 1985-B Bonds so surrendered shall be cancelled by the Secured Party unless there shall be delivered to the Secured Party a certificate signed by an officer of the Company stating in effect that such Series 1985-B Bonds were purchased pursuant to an offer to purchase Series 1985-B Bonds from all Holders thereof in a principal amount proportionate to the principal amount of Series 1985-B Bonds then held by such Holders and that the same terms and conditions for the purchase of such Series 1985-B Bonds were offered to each Holder.

**Section 3.9 Form of Series 1985-B Bonds.** The Series 1985-B Bonds and the Secured Party's authentication certificate, the record of partial redemption, and the form of assignment therefor shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

[Form of Series 1985-B Bond]

No. R1

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF ALABAMA

THE INDUSTRIAL DEVELOPMENT BOARD  
OF SHELBY COUNTY

INDUSTRIAL REVENUE BOND  
(Southern Truck Leasing Project)  
Series 1985-B

On the 25th day of December, 1990 (unless the principal of this bond shall have been duly called for previous redemption and payment duly provided for), for value received, THE INDUSTRIAL DEVELOPMENT BOARD OF SHELBY COUNTY, a public corporation organized and existing under the laws of the State of Alabama (herein called the "Board"), will pay to \_\_\_\_\_, or registered assigns, solely out of the sources of payment hereinafter referred to, the principal sum of

THREE HUNDRED FORTY-ONE THOUSAND DOLLARS

(or such lesser portion thereof then unpaid), with interest on the unpaid balance of such principal sum from the date hereof until said principal sum is paid, payable on January 25, 1986, and on the first day of each calendar month thereafter, until and including the maturity date hereof, at the rate of 9.00% per annum. If the highest marginal rate of federal income taxation imposed on domestic corporations (the "Maximum Corporate Tax Rate") increases or decreases after the date of original issuance of this bond, the effective rate of interest on this bond shall be adjusted, effective on the first day of the calendar month next succeeding the effective date of such increase or decrease, to equal the product (rounded to the third decimal point) of (i) 9.00% times (ii) a fraction the numerator of which is the number 1 minus the Maximum Corporate Tax Rate (expressed as a decimal) in effect following such increase or decrease and the denominator of which is the number 1 minus the Maximum Corporate Tax Rate (expressed as a decimal) in effect on the date of original issuance of this bond. Upon a determination pursuant to the provisions of the Lease and the Indenture hereinafter referred to that the interest income on this bond is or has become subject to federal income taxation as a result of the application of certain provisions of Section 103 of the Internal Revenue Code of 1954, as amended, the outstanding principal of this bond shall bear interest at a rate equal to one percent (1%) above the announced prime lending rate of AmSouth Bank N.A., Birmingham, Alabama, from time to time in effect on the unpaid principal amount of this bond from the date the interest income on this bond becomes subject to federal income taxation until paid (whether by acceleration, mandatory redemp-

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tion or otherwise). Any additional amount of interest payable on this bond for the period prior to the date of such determination of taxability shall be payable on the interest payment date (or redemption date, as the case may be) next following such determination. Overdue payments of principal of and premium (if any) on this bond (including all such payments becoming due as a result of acceleration, mandatory redemption or otherwise), as well as overdue payments of interest on principal hereof that is also overdue, shall bear interest from their respective due dates until paid at a per annum rate equal to the Prime Rate plus one (1) percent. All interest on this bond (including, without limitation, interest on overdue installments of principal and interest) shall be computed on the basis of a 360-day year for the actual number of days elapsed, meaning that the interest accrued for each day shall equal the amount obtained by dividing the stated interest rate applicable on that date by 360 and multiplying the result by the unpaid principal balance on that day.

In addition to the interest to be paid on this bond as provided above, if, as the result of any change in federal income tax laws pertaining to obligations the interest on which is exempt from federal income taxation after the date of original issuance of this bond, the holder hereof shall be required to pay any preference tax or penalty which is attributable, directly or indirectly, to the purchase or ownership of all or any of the Series 1985-B Bonds hereinafter referred to, then the Board shall also pay to any such holder hereof, within ten (10) days after receipt by the Board of written demand therefor (accompanied by appropriate verification), an amount which after deduction of all federal, state and local income taxes will equal such Bond Preference Tax.

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The principal of and the interest on this bond shall be payable in lawful money of the United States of America. The principal of this bond shall be payable at the principal office of AmSouth Bank N.A., Birmingham, Alabama, or its successor as Secured Party under the Indenture hereinafter referred to, and the interest on this bond shall (except for the final payment of such interest which shall be made only upon the surrender of this bond) be remitted, by the Secured Party hereinafter referred to, by check or draft mailed or otherwise delivered to the then registered holder hereof at the address shown on the registry books of the said Secured Party; provided, however, that the holder hereof may enter into a special payment agreement with the said Secured Party providing for the direct payment to such holder of the interest hereon and the redemption price of any partial redemption of the principal hereof through wire transfers, crediting of bank accounts or other arrangements involving the rapid transfer of funds, but such special payment agreement shall be subject to the terms and conditions specified in the said Indenture.

This bond is one of a duly authorized issue or series of bonds authorized to be issued in the aggregate principal amount of \$341,000 and designated Industrial Revenue Bonds (Southern Truck Leasing Project), Series 1985-B (herein called the "Series 1985-B Bonds"), which have been issued under an Indenture and Security Agreement dated as of December 1, 1985 (herein called the "Indenture"), from the Board to AmSouth Bank N.A., Birmingham, Alabama, as Secured Party (herein, together with its successors under the Indenture, called the "Secured Party"), for the purpose of financing the costs of acquiring certain rolling stock and other equipment (herein called the "Equipment") and installing or basing the same at the Terminal Facilities (as defined in the Indenture) located in Shelby County, Alabama, and

operated by Wiley Sanders Truck Lines, Inc., an Alabama corporation which Equipment is to be leased to and used by Wiley Sanders, Jr. d/b/a Southern Truck Leasing (herein called the "Company"). In connection with the issuance of the Series 1985-B Bonds, the Board has leased the Equipment (herein called the "Project") to the Company under a Lease Agreement dated as of December 1, 1985 (herein called the "Lease"), which obligates the Company to pay rent directly to the Secured Party or to the holders of the Series 1985-B Bonds, for the account of the Board, that will be equal to the principal, interest and premium (if any) from time to time coming due with respect to the Series 1985-B Bonds. The Series 1985-B Bonds are further secured by that certain Guaranty Agreement dated as of December 1, 1985 (herein called the "Series 1985-B Guaranty") between the Secured Party and the Company (herein called the "Guarantor"), pursuant to which the Guarantor has guaranteed the payment of the Series 1985-B Bonds and certain other obligations relating thereto.

The Series 1985-B Bonds are subject to redemption prior to their maturity as follows:

(1) At the option of the Board (which option shall be exercised at the direction of the Company), the Series 1985-B Bonds are subject to redemption on any date, as a whole or in part, at and for a redemption price, with respect to each Series 1985-B Bond (or portion of the principal thereof) called for redemption, equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption.

(2) The Series 1985-B Bonds are subject to mandatory redemption on January 25, 1986, and on the twenty-fifth day of each calendar month thereafter until and including November 25, 1990, in the following amounts on the following dates:

<u>Month</u>	<u>Principal Amount Due</u>	<u>Month</u>	<u>Principal Amount Due</u>
January 25, 1986	\$ 4,457.08	June 25, 1988	5,585.66
February 25, 1986	4,491.62	July 25, 1988	5,676.40
March 25, 1986	4,775.47	August 25, 1988	5,672.94
April 25, 1986	4,563.44	September 25, 1988	5,716.91
May 25, 1986	4,679.49	October 25, 1988	5,804.40
June 25, 1986	4,635.08	November 25, 1988	5,806.20
July 25, 1986	4,749.35	December 25, 1988	5,891.48
August 25, 1986	4,707.80	January 25, 1989	5,896.86
September 25, 1986	4,744.29	February 25, 1989	5,942.56
October 25, 1986	4,855.86	March 25, 1989	6,096.15
November 25, 1986	4,818.69	April 25, 1989	6,035.86
December 25, 1986	4,928.42	May 25, 1989	6,115.45
January 25, 1987	4,894.23	June 25, 1989	6,130.03
February 25, 1987	4,932.16	July 25, 1989	6,207.29
March 25, 1987	5,176.46	August 25, 1989	6,225.64
April 25, 1987	5,010.50	September 25, 1989	6,273.89
May 25, 1987	5,115.48	October 25, 1989	6,347.59

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<u>Month</u>	<u>Principal Amount Due</u>	<u>Month</u>	<u>Principal Amount Due</u>
June 25, 1987	5,088.98	November 25, 1989	6,371.71
July 25, 1987	5,192.01	December 25, 1989	6,442.98
August 25, 1987	5,168.66	January 25, 1990	6,471.02
September 25, 1987	5,208.71	February 25, 1990	6,521.17
October 25, 1987	5,308.78	March 25, 1990	6,622.82
November 25, 1987	5,290.22	April 25, 1990	6,623.04
December 25, 1987	5,388.28	May 25, 1990	6,688.09
January 25, 1988	5,372.98	June 25, 1990	6,726.20
February 25, 1988	5,414.62	July 25, 1990	6,788.70
March 25, 1988	5,562.60	August 25, 1990	6,830.94
April 25, 1988	5,499.70	September 25, 1990	6,883.88
May 25, 1988	5,592.56	October 25, 1990	6,942.48
		November 25, 1990	6,991.03

There shall be a final principal payment at maturity of \$7,047.11.

The Series 1985-B Bonds (or portion of the principal thereof) called for such mandatory redemption shall be redeemed at and for a redemption price, with respect to each Series 1985-B Bond (or portion of the principal thereof) called for redemption, equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption.

(3) The Series 1985-B Bonds are subject to mandatory redemption as a whole on any date, at and for a redemption price, with respect to each Series 1985-B Bond, equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, but only in the event of the taking through the exercise of the power of eminent domain of all or substantially all the Equipment or in the event of the exercise by the Company of an option to purchase the Equipment granted in the Lease.

(4) The Series 1985-B Bonds are subject to mandatory redemption as a whole on any date, at and for a redemption price with respect to each Series 1985-B Bonds, equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, but only in the event there is a determination, as provided in Section 5.5 of the Lease, that the interest income on the Series 1985-B Bonds is or has become subject to federal income taxation as a result of the application of certain provisions of Section 103 of the Internal Revenue Code of 1954, as amended. The foregoing requirement of mandatory redemption may be waived by a holder of any Series 1985-B Bond in a written notice delivered to the Secured Party within sixty (60) days after receipt of notice that the interest income on the Series 1985-B Bonds has become so subject to federal income taxation.

If less than all the Series 1985-B Bonds shall be called for redemption at any one time, the principal amount of Series 1985-B Bonds to be redeemed shall be allocated

among all the holders of the Series 1985-B Bonds in proportion to the aggregate principal amount of outstanding Series 1985-B Bonds held by each such holder, and the principal amount so allocated to each such holder shall be called for redemption from among the Series 1985-B Bonds owned by such holder.

The Indenture requires written notice of any redemption of this bond (or portion of the principal thereof) to be forwarded by United States registered or certified mail to the registered holder hereof and to be received by such holder not less than five (5) nor more than sixty (60) days prior to the date fixed for redemption; provided, however, that such notice is not required to be given in connection with any redemption of the principal hereof pursuant to subparagraph (2) of the preceding paragraph. In the event that less than all the outstanding principal of this bond is to be redeemed, (i) the registered holder of this bond shall surrender this bond to the Secured Party in exchange for a new bond of like tenor herewith except in a principal amount equal to the unredeemed portion of this bond or (ii) such holder shall, in lieu of surrendering this bond in exchange for a new bond, present the same to the Secured Party for endorsement hereon, or on the record of partial redemptions appertaining hereto, of the payment of the portion of the principal hereof so redeemed. Further, the Indenture provides that the holder of this bond may enter into a special payment agreement with the Secured Party which will permit the redemption price of any partial redemption of the principal hereof to be paid to the holder without the surrender or presentation of this bond to the Secured Party, but such special payment agreement shall require in such case that the holder endorse hereon, or on the record of partial redemptions appertaining hereto, the payment of the portion of the principal hereof so redeemed, all as more particularly specified in the Indenture.

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The principal of and the interest and premium (if any) on the Series 1985-B Bonds are payable solely from (i) the revenues and receipts to be derived by the Board from the leasing or sale of the Equipment and (ii) moneys received by the Secured Party pursuant to the Series 1985-B Guaranty. The payment of the principal of and the interest and premium (if any) on the Series 1985-B Bonds is secured, pro rata and without preference or priority of one Series 1985-B Bond over another, by a valid pledge of the revenues and receipts of the Board out of which the Series 1985-B Bonds are payable (including specifically the Basic Rent payable to the Board by the Company under the Lease), by the Indenture which constitutes a lien on the Equipment and by an assignment to the Secured Party of all right, title and interest of the Board in and to the Lease (except certain expense reimbursement and indemnification rights of the Board). Reference is hereby made to the Indenture, the Lease and the Series 1985-B Guaranty for complete information respecting the nature and extent of the security afforded by each of such instruments, the rights and duties of the Board, the Secured Party, the Company and the Guarantors with respect thereto and the rights of the holders of the Series 1985-B Bonds thereunder.

The Indenture provides, inter alia, (a) that upon the occurrence and continuation of certain events of default as therein provided, the Secured Party may declare the principal of and the interest accrued on this bond immediately due and payable, whereupon the same shall thereupon become immediately due and payable and the Secured Party shall be entitled to pursue the remedies provided in the Indenture, and (b) that the holder of this bond shall have no right to enforce the

provisions of the Indenture except as provided therein and then only for the equal and ratable benefit of the holders of all the Series 1985-B Bonds. The Indenture also provides that (i) the Board and the Secured Party, with the written consent of the Company and the holders of a majority in aggregate principal amount of the Series 1985-B Bonds then outstanding, may at any time and from time to time amend the Indenture and (ii) the Board and the Company, with the written consent of the Secured Party and the holders of a majority in aggregate principal amount of the Series 1985-B Bonds then outstanding, may at any time and from time to time amend the Lease, subject in each case to compliance with other conditions and restrictions provided in the Indenture.

The Board is a public corporation organized under the provisions of Code of Alabama 1975, Title 11, Chapter 20, Article 2; and the Series 1985-B Bonds are authorized to be issued for the purposes for which bonds are authorized to be issued under the specified provisions of said code. The Series 1985-B Bonds and the covenants and representations contained in the Indenture do not and shall never constitute a general liability or charge against the general credit of the Board. Neither the State of Alabama nor Shelby County nor any other political subdivision of said state shall in any manner be liable for payment of the principal of or the interest or premium (if any) on the Series 1985-B Bonds or for the performance of the undertakings of the Board contained herein or in the Indenture.

It is hereby certified that all conditions, actions and things required by the Constitution and laws of the State of Alabama to exist, be performed and happen precedent to or in the issuance of this bond do exist, have been performed and have happened in due and legal form.

The Series 1985-B Bonds are issuable only as fully registered bonds without coupons in the denomination of \$1,000 or any integral multiple thereof, except to the extent that the issuance of a bond in a different principal amount may be required (i) to effect the issuance, transfer or exchange of Series 1985-B Bonds in such different principal amount or (ii) to provide the holder of a Series 1985-B Bond called for partial redemption a new Series 1985-B Bond in a principal amount equal to the unredeemed portion of the Series 1985-B Bond so called for partial redemption. Provision is made in the Indenture for the exchange of Series 1985-B Bonds for a like aggregate principal amount of other Series 1985-B Bonds in authorized denominations, all as may be requested by the holder surrendering the Series 1985-B Bond or Bonds to be so exchanged and upon the terms and conditions specified in the Indenture.

The transfer of this bond may be registered by the registered holder hereof in person, or by duly authorized attorney or legal representative, at the principal office of the Secured Party, but only upon surrender of this bond to the Secured Party for cancellation, and upon any such transfer a new fully registered bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly provided in the Indenture. ANY ASSIGNEE OR TRANSFEREE OF THIS BOND TAKES IT SUBJECT TO ALL PAYMENTS OF PRINCIPAL AND INTEREST IN FACT MADE WITH RESPECT HERETO, WHETHER OR NOT SUCH PAYMENTS ARE REFLECTED BY ENDORSEMENT ON THIS BOND OR ANY PAYMENT RECORD APPERTAINING HERETO.

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The Secured Party shall not be required to transfer or exchange this bond during the period of five days next preceding any interest payment date with respect hereto or, if this bond (or any portion of the principal hereof) is duly called for redemption, during the period of five days next preceding the date fixed for such redemption.

Execution by the Secured Party of its authentication certificate hereon is essential to the validity hereof and is conclusive of the due issue hereof under the Indenture.

IN WITNESS WHEREOF, the Board has caused this bond to be executed in its name and behalf by the Chairman of its Board of Directors, has caused its corporate seal to be hereunto affixed, has caused this bond to be attested by its Secretary, and has caused this bond to be dated \_\_\_\_\_.

THE INDUSTRIAL DEVELOPMENT BOARD OF  
SHELBY COUNTY

By \_\_\_\_\_  
Chairman of its Board of Directors

ATTEST:

\_\_\_\_\_  
Its Secretary

[ S E A L ]

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[Form of Secured Party's Authentication Certificate]

The within bond is one of those described in the within-mentioned Indenture.

AMSOUTH BANK N.A., Secured Party

By \_\_\_\_\_  
Authorized Officer

[Form of Record of Partial Redemption]

RECORD OF PARTIAL REDEMPTIONS

Upon each partial redemption of the principal of the within bond, such bond shall be surrendered to the within-mentioned Secured Party for the appropriate endorsement by it of such redemption on the record below, unless there shall be in effect a Home Office Payment Agreement with respect to the within bond, as provided in the within-mentioned Indenture. THE WITHIN BOND MAY BE SUBJECT TO A HOME OFFICE PAYMENT AGREEMENT, AND ANY PURCHASER OF SUCH BOND SHOULD VERIFY WITH THE SECURED PARTY THE OUTSTANDING PRINCIPAL BALANCE OF SUCH BOND PRIOR TO THE PURCHASE THEREOF.

Date of Redemption	Principal Amount Redeemed	Remaining Unpaid Balance	Signature

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[Form of Assignment]

For value received, \_\_\_\_\_  
hereby sell(s), assign(s) and transfer(s) unto \_\_\_\_\_  
the within bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_  
attorney, with full power of substitution in  
the premises, to transfer such bond on the books of the within-mentioned Secured  
Party.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

NOTE: The name signed to this assignment must correspond with the  
name of the payee written on the face of the within bond in  
every particular, without any alteration, enlargement or change  
whatsoever.

Section 3.10 Execution and Delivery of Series 1985-B Bonds; Condi-  
tions Precedent to Such Delivery. The single bond in the form of which the Series  
1985-B Bonds is to be initially issued, as provided in Section 3.1 hereof, shall be  
executed, sealed and attested as provided in Section 4.1 hereof and thereupon  
delivered to the Secured Party, together with an order signed on behalf of the Board  
by its Chairman or Vice Chairman requesting the Secured Party to authenticate such  
single bond and to deliver it to the purchaser thereof specified in such order. Upon  
receipt of such single bond, together with such order requesting the authentication  
and delivery thereof, the Secured Party will forthwith authenticate such single bond  
and deliver it to the purchaser thereof designated in such order, but such delivery  
shall be effected only upon compliance with all of the conditions specified in the  
succeeding provisions of this section.

No Series 1985-B Bonds in any form shall be initially authenticated and  
delivered under the Indenture unless, prior to or simultaneously with the delivery of  
such Series 1985-B Bonds, (i) the purchase price for all the Series 1985-B Bonds in  
an amount equal to the aggregate principal amount of such Series 1985-B Bonds  
shall have been paid by the purchaser thereof and deposited in the Acquisition Fund  
as provided in Section 3.11 hereof and (ii) there shall have been furnished to the  
Secured Party the following:

(a) original executed counterparts of the Lease, the Indenture  
and the Series 1985-B Guaranty;

(b) a certified copy of a resolution or resolutions authorizing (i)  
the execution and delivery of the Lease on the part of the Board, (ii), the  
execution and delivery of the Indenture on the part of the Board and (iii)  
the execution, delivery, issuance and sale of the Series 1985-B Bonds by  
the Board;

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(c) a closing certificate of officers of the Board respecting the organization of the Board and the incumbency of its officers and directors and further stating, among other things, (i) that there is no pending or threatened litigation which would adversely affect the existence of the Board, the issuance of the Series 1985-B Bonds or any transactions contemplated by the Lease or the Indenture, (ii) that all representations and warranties of the Board contained in the Lease are true and correct in all material respects on and as of the delivery date of the Series 1985-B Bonds, and (iii) neither an Event of Default nor any event which, with the giving of notice or the passage of time or both, would constitute an Event of Default has occurred and is continuing;

(d) an executed counterpart of an investment letter or other form of agreement by AmSouth Bank N.A. representing that it is purchasing the Series 1985-B Bonds for its own account and not for resale;

(e) a certificate signed by an officer of the Board responsible for issuing the Series 1985-B Bonds, and confirmed by a certificate of an officer of the Company, stating facts and estimates sufficient to establish the reasonable expectations of the Board that the proceeds of the Series 1985-B Bonds will not be used in such manner as to cause the Series 1985-B Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Code and the applicable regulations thereunder;

(f) fully executed uniform commercial code financing statements relating to the Lease and the Indenture suitable for filing in appropriate offices in the State of Alabama;

(g) a written opinion of Counsel for the Board stating, among other things, (i) that the Board is a duly organized and validly existing public corporation under the laws of the State of Alabama, (ii) that it has corporate power and authority to issue and sell the Series 1985-B Bonds and to enter into and perform the Lease and the Indenture, (iii) that the execution, delivery and performance of the Lease and the Indenture have been duly authorized by the Board, (iv) that the authorization, execution, delivery and performance of the Lease, the Indenture and the Series 1985-B Bonds will not violate or constitute a breach of any agreement to which the Board is a party or any judgment or court or other governmental order applicable to the Board, and (v) that no litigation is pending or threatened in which an unfavorable decision or ruling might adversely affect the validity or enforceability of the Series 1985-B Bonds, the Lease or the Indenture;

(h) a written opinion of Counsel for the Company stating, among other things, (i) that the Lease and the Series 1985-B Guaranty have been duly executed and delivered and constitute valid and binding agreements thereof and (ii) such other matters as the Secured Party may deem appropriate;

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(i) a written opinion of Bond Counsel stating that, based upon the "no-arbitrage" certificate described in the preceding clause (e), the Series 1985-B Bonds are not "arbitrage bonds" within the meaning of Section 103(c) of the Code and the applicable regulations thereunder; and

(j) a written opinion of Bond Counsel satisfactory to the Secured Party and covering such matters as the Secured Party may deem appropriate including, in substance (i) that the Board is a duly organized and validly existing public corporation under the laws of the State of Alabama, (ii) that the Board has full corporate power and authority to issue and sell the Series 1985-B Bonds, to enter into and perform the Lease and the Indenture, and to carry out the transactions contemplated thereby, (iii) that the Lease and the Indenture have each been duly authorized, executed and delivered on behalf of the Board, (iv) that relying upon the opinion of Counsel for the Company referred to in the preceding subparagraph (h) as to the authorization, execution and delivery of the Lease on behalf of the Company, the Lease and the Indenture constitute legal, valid and binding agreements of the respective parties thereto, (v) that the issuance and sale of the Series 1985-B Bonds in accordance with the provisions of the Lease and the Indenture have been duly authorized by the Board and that such Series 1985-B Bonds constitute legal, valid and binding special obligations of the Board payable from the sources provided in the Lease and the Indenture, and (vi) that the interest income on the Series 1985-B Bonds is, under existing statutes, regulations, judicial decisions and rulings, exempt from federal income taxation, except (i) that such exemption is not applicable with respect to interest on any Series 1985-B Bond for any period during which it is held by a "substantial user" of facilities acquired with the proceeds of the Series 1985-B Bonds or a "related person" thereto, as the terms "substantial user" and "related person" are used or defined in Section 103(b) of the Code, and (ii) that in the event that the Board shall fail to duly file certain reports with respect to the Series 1985-B Bonds with the Internal Revenue Service and the State of Alabama, or that in the event that the aggregate authorized face amount of the Series 1985-B Bonds allocated to any "test-period beneficiary" [as such term is used and defined in Section 103(b)(15) of the Internal Revenue Code of 1954, as amended], when increased by the outstanding amount of "industrial development bonds" the interest income on which is exempt from federal income taxation that are allocable to such "test-period beneficiary", shall exceed \$40,000,000, or (iii) as a result of capital expenditures being paid or incurred with respect to "facilities" described in Section 103(b)(6)(E) of the Code and the applicable regulations thereunder, the aggregate face amount of the Bonds, determined in accordance with the provisions of Section 103(b)(6)(D) of the Code, exceeds the limit permitted by the said Section 103(b)(6)(D); then the interest on the Series 1985-B Bonds may become subject to federal income taxation.

The certificates and opinions required by this section shall all be dated as of the date of the delivery of the Series 1985-B Bonds. The Lease, the Indenture, the Series 1985-B Guaranty, the certificates described above, the respective opinions of

Counsel to the Board and the Company and the opinions of Bond Counsel respecting the Series 1985-B Bonds shall be in the respective forms therefor previously submitted to and approved by AmSouth Bank N.A., the original purchaser of the Series 1985-B Bonds from the Board.

**Section 3.11 Application of Proceeds from Sale of Series 1985-B Bonds.** The entire proceeds derived by the Board from the sale of the Series 1985-B Bonds shall be paid immediately to the Secured Party and promptly thereafter deposited in the Acquisition Fund.

#### ARTICLE IV

##### EXECUTION AND AUTHENTICATION OF THE SERIES 1985-B BONDS

**Section 4.1 Execution of Series 1985-B Bonds.** The Series 1985-B Bonds shall be executed by the Chairman or Vice Chairman of the Directors, and the seal of the Board shall be affixed thereto and attested by the Secretary or any Assistant Secretary of the Board. Signatures on any Series 1985-B Bonds by persons who were officers of the Board at the time such signatures were written shall continue effective although such persons cease to be such officers prior to the authentication of such Series 1985-B Bonds by the Secured Party or the issuance thereof under the Indenture.

**Section 4.2 Authentication Certificate of the Secured Party.** A duly executed authentication certificate by the Secured Party shall be endorsed on each of the Series 1985-B Bonds, and no Series 1985-B Bond shall be valid or obligatory for any purpose unless and until such authentication certificate shall have been duly executed by the Secured Party. Each such certificate shall recite, in substance, that the Series 1985-B Bond on which it is endorsed is one of the Series 1985-B Bonds described in the Indenture. The executed authentication certificate of the Secured Party endorsed upon any Series 1985-B Bond shall be conclusive evidence of the due authentication, issue and delivery of such Series 1985-B Bond under the Indenture.

**Section 4.3 Replacement of Mutilated, Lost, Stolen or Destroyed Series 1985-B Bonds.** In the event any Series 1985-B Bond is mutilated, lost, stolen or destroyed, the Board may execute, and the Secured Party shall thereupon authenticate and deliver, a new Series 1985-B Bond of like tenor as that mutilated, lost, stolen or destroyed; provided that (i) in the case of any such mutilated Series 1985-B Bond, such Series 1985-B Bond is first surrendered to the Secured Party, and (ii) in the case of any such lost, stolen or destroyed Series 1985-B Bond, there is first furnished to the Secured Party evidence of such loss, theft or destruction satisfactory to the Secured Party and the Company (with such evidence to be also furnished to the Board if requested), together with indemnity satisfactory to the Secured Party and the Company (and to the Board if requested); provided that if the Holder of such lost, stolen or destroyed Series 1985-B Bond is an insurance company

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or a bank, its own agreement of indemnity shall be satisfactory. The Board and the Secured Party may charge the Holder with the expenses of issuing any such new Series 1985-B Bond. In lieu of issuing a new Series 1985-B Bond to replace any mutilated, lost, stolen or destroyed Series 1985-B Bond which shall have already matured, or which is about to mature, the Secured Party may pay such Series 1985-B Bond at or after the maturity thereof if the owner of such Series 1985-B Bond satisfies the same terms and conditions as those provided in the preceding provisions of this section for the replacement of such Series 1985-B Bond.

## ARTICLE V

### REGISTRATION, TRANSFER AND EXCHANGE OF THE SERIES 1985-B BONDS

Section 5.1 **Registration and Transfer of Series 1985-B Bonds.** The Secured Party shall be the registrar and transfer agent of the Board and shall keep at its office proper registry and transfer books in which it will note the registration and transfer of such Series 1985-B Bonds as are presented for those purposes, all in the manner and to the extent hereinafter specified.

All of the Series 1985-B Bonds shall be registered as to both principal and interest on the books kept by the Secured Party, as registrar and transfer agent for the Board, for the registration and registration of transfer of Series 1985-B Bonds. The transfer of any Series 1985-B Bond may be registered with the Secured Party only upon surrender thereof at the office of the Secured Party with written power to transfer signed by the Holder thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Secured Party. Upon any such transfer the Board shall execute, and the Secured Party shall authenticate and deliver to the transferee, a new Series 1985-B Bond registered in the name of such transferee and of like tenor as that presented for transfer.

Any Series 1985-B Bond authenticated and delivered pursuant to the provisions of this section shall be dated as of the interest payment date next preceding the date of its authentication by the Secured Party, or if the date of such authentication is an interest payment date, as of such date; provided that if any Series 1985-B Bond is to be authenticated and delivered pursuant to this section prior to the first interest payment date with respect to the Series 1985-B Bond or Bonds presented for transfer for which it is to be issued in lieu of, such Series 1985-B Bond shall be dated the date of the Series 1985-B Bond or Bonds for which it is to be so issued in lieu of; and provided further that if at the time of such authentication, the Board is in default in payment of the interest on the Series 1985-B Bonds, such Series 1985-B Bond shall be dated as of the interest payment date to which interest on the Series 1985-B Bonds has previously been paid. In any case, any Series 1985-B Bond issued in lieu of other Series 1985-B Bonds presented for transfer shall bear interest at the rate borne by the Series 1985-B Bonds so surrendered for transfer and shall be dated so that no gain or loss of interest shall result from the transfer of any Series 1985-B Bond for other Series 1985-B Bonds.

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The Secured Party shall not be required to transfer any Series 1985-B Bond during the period of five (5) days next preceding any interest payment date with respect thereto or, if such Series 1985-B Bond is duly called for redemption (in whole or in part), during the period of five (5) days next preceding the date fixed for such redemption.

**Section 5.2 Exchange of Series 1985-B Bonds.** The Series 1985-B Bonds shall be freely exchangeable within the limits provided herein. Upon the request of the Holder of any Series 1985-B Bond in a principal amount greater than the minimum authorized denomination for the Series 1985-B Bonds, the Board shall execute, and the Secured Party shall thereupon authenticate and deliver, upon surrender to the Secured Party and in exchange therefor, two or more Series 1985-B Bonds of like tenor as the Series 1985-B Bond so surrendered and in authorized denominations aggregating the same principal amount as the Series 1985-B Bond so surrendered. Upon the request of the Holder of two or more Series 1985-B Bonds the Board shall execute, and the Secured Party shall thereupon authenticate and deliver, upon surrender to the Secured Party of such Series 1985-B Bonds and in exchange therefor, a new Series 1985-B Bond or Bonds of like tenor in different authorized denominations and aggregating the same principal amount as the then unpaid principal amount of the Series 1985-B Bonds so surrendered. Any Series 1985-B Bonds surrendered for exchange pursuant to the provisions of this section shall be accompanied by a written power to transfer signed by the Holder thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Secured Party. The right to exchange Series 1985-B Bonds conferred by this section shall be subject to the provisions of Section 3.2 hereof.

Any Series 1985-B Bond authenticated and delivered pursuant to the provisions of this section shall be dated as of the interest payment date next preceding the date of its authentication by the Secured Party or, if the date of such authentication is an interest payment date, as of such date; provided that if any Series 1985-B Bond is to be authenticated and delivered pursuant to this section prior to the first interest payment date with respect to the Series 1985-B Bond or Bonds for which it is to be issued in exchange, such Series 1985-B Bond shall be dated the date of the Series 1985-B Bond or Bonds for which it is to be so issued in exchange; and provided further that if at the time of such authentication, the Board is in default in payment of the interest on the Series 1985-B Bonds, such Series 1985-B Bond shall be dated as of the interest payment date to which interest on the Series 1985-B Bonds has previously been paid. In any case, any Series 1985-B Bond issued in exchange for other Series 1985-B Bonds shall bear interest at the rate borne by the Series 1985-B Bonds so surrendered for exchange and shall be dated so that no gain or loss of interest shall result from the exchange of any Series 1985-B Bond for other Series 1985-B Bonds.

The Secured Party shall not be required to exchange any Series 1985-B Bond pursuant to the provisions of this section during the period of five (5) days next preceding any interest payment date with respect thereto or, if such Series 1985-B Bond shall be duly called for redemption (in whole or in part), during the period of five (5) days next preceding the date fixed for such redemption.

**Section 5.3 Persons Deemed Owners of Series 1985-B Bonds.** The person in whose name a Series 1985-B Bond is registered on the books of the Secured Party shall be the sole person to whom or on whose order payments on account of the principal thereof and of the interest and premium (if any) thereon may be made. The Board and the Secured Party may deem and treat the person in whose name a Series 1985-B Bond is registered as the absolute owner thereof for all purposes; they shall not be affected by notice to the contrary; and all payments by either of them to the person in whose name a Series 1985-B Bond is registered shall to the extent thereof fully discharge and satisfy all liability for the same.

**Section 5.4 Expenses of Transfer and Exchange.** The Board and the Secured Party may charge the Holder with their reasonable fees and expenses in connection with any transfer or exchange of any of the Series 1985-B Bonds; provided, however, that no charge shall be made for the issuance of a new Series 1985-B Bond issued, pursuant to the provisions of Section 6.2 hereof, as a result of a call for partial redemption of any Series 1985-B Bond. In every case involving any transfer or exchange of Series 1985-B Bonds requested by the Holder thereof, such Holder shall pay all taxes and other governmental charges required to be paid in connection with such transfer or exchange.

## ARTICLE VI

### GENERAL PROVISIONS RESPECTING REDEMPTION OF SERIES 1985-B BONDS

**Section 6.1 Manner of Effecting Redemption of Series 1985-B Bonds.** Any redemption of any Series 1985-B Bonds shall be effected in the following manner:

(a) Call. Subject to the provisions of Section 3.8 hereof in the event that less than all the Series 1985-B Bonds then outstanding are to be called for redemption, the Directors shall adopt a resolution containing a call for redemption, on a specified date when they are by their terms subject to redemption, of Series 1985-B Bonds bearing stated numbers (and, in the case of the partial redemption of any Series 1985-B Bonds, the respective principal amounts thereof to be redeemed); provided, however, that it shall not be necessary for the Directors to adopt any such resolution (i) in the case of Series 1985-B Bonds that are to be redeemed pursuant to the provisions of Section 3.6 hereof, provided that the Company shall have requested such redemption by a written request furnished to the Board and the Secured Party and shall have specified in such request the principal amount of such Series 1985-B Bonds and the date on which the redemption thereof is to be effected or (ii) in the case of Series 1985-B Bonds that are to be redeemed pursuant to the provisions of either Section 3.5 or 3.7 hereof.

(b) Delivery of Notice. With respect to any Series 1985-B Bonds called for redemption, in whole or in part, the Secured Party (on

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behalf of the Board) shall cause to be forwarded by United States registered or certified mail to the respective Holders thereof, at the respective addresses of such Holders as such addresses appear on the registry books of the Secured Party pertaining to the registration of the Series 1985-B Bonds, a notice stating the following: that Series 1985-B Bonds bearing stated numbers (and, in the case of the partial redemption of any Series 1985-B Bonds, the respective principal amounts thereof to be redeemed) have been called for redemption and will become due and payable at the applicable redemption price or redemption prices on a specified redemption date, and that all interest thereon will cease after such redemption date if prior to such date, or not later than 10:00 o'clock, A.M., on such date, the total redemption price of the Series 1985-B Bonds (or portions thereof) so called for redemption, including the accrued interest thereon to such date, has been paid to the Secured Party or to the Holders of such Series 1985-B Bonds in accordance with any applicable Home Office Payment Agreements; provided, however, that such notice shall not be given to the Holders of Series 1985-B Bonds in connection with the mandatory redemption of any principal thereof pursuant to the provisions of Section 3.5 hereof. In order to be effective such notice must be received by the Holders of the Series 1985-B Bonds called for redemption not more than sixty (60) nor less than five (5) days prior to the date fixed for redemption, but Holders of any Series 1985-B Bonds may waive the requirements of this subsection with respect to the Series 1985-B Bonds held by them without affecting the validity of the call for redemption of any other Series 1985-B Bonds.

(c) Payment. Prior to the date fixed for redemption, or not later than 10:00 o'clock, A.M., on such date, the Board shall pay or cause to be paid to the Secured Party (or shall pay or cause to be paid directly to the Holders of Series 1985-B Bonds so called for redemption that are subject to Home Office Payment Agreements) the redemption price of the Series 1985-B Bonds (or portions thereof) so called for redemption (as such redemption price is specified herein) and shall furnish to the Secured Party the following: (i) a certified copy of the resolution of the Directors required by subsection (a) of this section (if, under the circumstances, the adoption of any such resolution is required); and (ii) when such redemption is made subject, by the terms of the Indenture, to any other restriction or requirement, evidence satisfactory to the Mortgagee showing compliance with such restriction or requirement.

**Section 6.2 Presentation of Series 1985-B Bonds for Redemption; Series 1985-B Bonds Called for Redemption to Cease to Bear Interest.** Upon compliance by the Board and the Secured Party with the requirements of Section 6.1 hereof (and, unless all the Series 1985-B Bonds then outstanding are to be redeemed (or unless a portion of such outstanding Series 1985-B Bonds are to be redeemed and the remainder are, simultaneously with or prior to such redemption, to be otherwise retired), if the Board is not on the redemption date in default in payment of the principal of or the interest or premium (if any) on any of the Series 1985-B Bonds], the Series 1985-B Bonds so called for redemption (or, in the case of any Series 1985-B Bonds called for partial redemption, the portions thereof called for

redemption) shall become due and payable at the place or places at which the same shall be payable at the redemption price or prices and on the redemption date specified in such notice, anything herein or in the Series 1985-B Bonds to the contrary notwithstanding and the Holders thereof shall then and there surrender them for redemption; provided, however, that with respect to any Series 1985-B Bond called for partial redemption, (i) the Holder thereof shall surrender such Series 1985-B Bond to the Secured Party in exchange for one or more new Series 1985-B Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Series 1985-B Bond so surrendered or (ii) such Holder shall, in lieu of surrendering such Series 1985-B Bond in exchange for a new Series 1985-B Bond or Bonds, present the same to the Secured Party for endorsement thereon (or on any record of partial redemptions appertaining thereto and constituting a part thereof) of the payment of the portion of the principal thereof so redeemed. The preceding sentence to the contrary notwithstanding, the partial redemption of the Series 1985-B Bonds shall be subject to such Home Office Payment Agreements as may from time to time be in effect with respect thereto pursuant to the provisions of Section 3.4 hereof. All future interest on the Series 1985-B Bonds so called for redemption (or, in the case of any Series 1985-B Bonds called for redemption in part, the portions thereof called for redemption) shall, subject to the payments required by subsection (c) of Section 6.1 hereof having been made, cease to accrue after the date fixed for redemption. The Series 1985-B Bonds so called (or, in the case of any Series 1985-B Bonds called for redemption in part, the portions thereof called for redemption) shall, subject to such payments having been made, no longer be entitled to the benefit of the lien hereof. Out of any moneys paid to it for the redemption of Series 1985-B Bonds, the Secured Party shall pay on the redemption date the applicable redemption price or prices of the Series 1985-B Bonds so called for redemption (or, in the case of any Series 1985-B Bonds called for redemption in part, the portions thereof called for redemption).

## ARTICLE VII

### CONCERNING ACQUISITION AND INSTALLATION OR BASING OF EQUIPMENT AND PAYMENT OF COSTS

Section 7.1 **Agreement Respecting Completion of Acquisition and Installation or Basing of Equipment.** The Board will undertake and complete the acquisition and installation or basing of the Equipment, or will cause the same to be undertaken and completed, as and to the extent provided in Article IV of the Lease. The Board will complete the acquisition and installation or basing of the Equipment, or cause the same to be completed, as soon as may be practicable, delays incident to any condition or event beyond the reasonable control of the Board only excepted, including, without limitation, strikes, riots, acts of God and the public enemy. The Board will promptly pay or cause to be paid, as and when due, all costs of acquiring and installing or basing the equipment and the costs and expenses of issuing and selling the Series 1985-B Bonds, but the Board's obligation to pay such costs shall be limited to moneys on deposit in the Acquisition Fund and such other funds for the payment of such costs as may be made available by the Company under the provisions of the Lease.

The Board will not suffer or permit any mechanics' or materialmen's liens that might be filed or otherwise claimed or established upon or against the Project or any part thereof, and which might be or become a lien superior to the lien hereof, to remain unsatisfied and undischarged for a period exceeding thirty (30) days after the filing or establishment thereof; provided, however, that the Board may in good faith contest or permit the contest of any such mechanics' or materialmen's liens so filed or established and, in the event that such liens are so contested, may, if it gives notice of such contest to the Secured Party or causes such notice to be so given, permit the mechanics' or materialmen's liens so contested to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom, irrespective of whether such period extends beyond the thirty (30) day period after the filing or establishment of such liens, unless the Secured Party notifies the Board that, in the opinion of Independent Counsel, such action by the Board will materially endanger the lien of the Indenture to any part of the Equipment or will cause the Equipment or any part thereof to be subject to a material risk of loss or forfeiture, in which case such mechanics' or materialmen's liens shall (unless they are bonded or superseded in a manner satisfactory to the Secured Party) be satisfied prior to the expiration of said thirty (30) day period.

**Section 7.2 Acquisition Fund.** There is hereby created a special escrow fund, the name of which shall be the "Southern Truck Leasing Acquisition Fund", for the purpose of providing funds for payment of the costs of acquiring and installing the Equipment and the costs and expenses of issuing and selling the Series 1985-B Bonds. The Secured Party shall be and remain the depository, custodian and disbursing agent for the Acquisition Fund.

Subject to the provisions of Section 7.3 hereof and the succeeding provisions of this section, the moneys in the Acquisition Fund shall be disbursed by the Secured Party from time to time for the purpose of paying the costs of acquiring and installing the Equipment and the costs and expenses of issuing and selling the Series 1985-B Bonds, but only upon receipt of a requisition signed by an Authorized Company Representative and containing, with respect to each such payment, the following:

(a) a statement of the amount requested to be paid, the name and address of the Person (which may be the Secured Party, the Company or an Affiliate of the Company) to whom such payment is due and the particular cost which is to be paid pursuant to such requisition, which statement shall be supported by such invoices or other documents accompanying such requisition as shall be satisfactory to the Secured Party;

(b) a certification that no Event of Default has occurred and is continuing;

(c) a certification that, except for such matters as have been specifically disclosed in any information submitted with such requisition, (i) there are no mechanics' or materialmen's liens, chattel mortgages, conditional sales or title retention agreements now in existence or pending which relate to the acquisition and installation of the Equip-

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ment, except inchoate liens for labor or material payment for which is either not yet due and payable or is to be made pursuant to such requisition, and (ii) there are no outstanding notices of any requirements of any governmental authorities in any way concerning the Equipment (including, without limitation, the acquisition and installation of any part thereof) which have not been satisfied;

(d) a certification that Acquisition Fund moneys expended pursuant to such requisition will be expended for a purpose authorized in the Indenture;

(e) a certification that the payment requested in such requisition has not formed the basis for any previous requisition for the disbursement of moneys from the Acquisition Fund or any previous payment out of the proceeds derived by the Board from the sale of the Series 1985-B Bonds;

(f) in the case of any requisition for payment of any part of the purchase price, other acquisition cost or installation cost of any of the Equipment, a certification either (i) that such equipment is physically located at the Terminal Site and is in good condition, or (ii) that the amount so requested to be paid on account of such equipment, together with any amounts theretofore paid out of the Acquisition Fund on account thereof, represents no more than progress payments for such equipment which have been substantiated to the Company's satisfaction;

(g) a certification as to what portion (if any) of the amount to be paid pursuant to such requisition will be used for the payment of such costs not constituting Qualifying Costs or costs and expenses of issuing the Series 1985-B Bonds; and

(h) a certification that the payment requested in such requisition will not result, as of the making of such payment, in the use for any purpose other than the payment of Qualifying Costs or costs and expenses of issuing the Series 1985-B Bonds of more than ten percent (10%) of the cumulative amount of the Series 1985-B Bond Proceeds theretofore disbursed from the Acquisition Fund;

provided, however, that the Secured Party shall not disburse any moneys from the Acquisition Fund for the payment of any portion of the purchase price of any item of Rolling Stock to which the Alabama Uniform Certificate of Title Act applies unless the Secured Party shall have first received documentation satisfactory to the Secured Party showing perfection of the lien of the Indenture with respect to such item of Rolling Stock pursuant to the provisions of said statute.

The requirements of this paragraph shall apply to all disbursements from the Acquisition Fund, including those made to reimburse the Company for costs of acquiring and installing and basing the Equipment and costs and expenses of issuing and selling the Series 1985-B Bonds theretofore paid by it.

The Secured Party will keep and maintain adequate records pertaining to the Acquisition Fund and all moneys received therein and disbursed therefrom, and when all moneys in the Acquisition Fund have been exhausted, whether on the Completion Date or thereafter in accordance with the provisions of Section 7.3 hereof, the Secured Party will file with the Board and the Company an accounting of all moneys received into and disbursed from the Acquisition Fund.

**Section 7.3 Transfer of Moneys from Acquisition Fund After Completion Date.** The completion of the acquisition and installation or basing of the Equipment and the payment of all related costs (except for amounts to be retained by the Secured Party at the Company's direction, as hereinafter provided, for any such costs not then due and payable or the liability for payment of which is being contested) shall be established to the Secured Party by a certificate signed by an Authorized Company Representative as provided in Section 4.6 of the Lease. On the Completion Date, or as promptly thereafter as practicable, the Secured Party shall set aside in the Acquisition Fund such amount as the Company, by written order signed in its behalf by an Authorized Company Representative and furnished to the Secured Party simultaneously with the aforesaid certificate establishing the Completion Date, may direct for the payment of any such costs not then due and payable or the liability for payment of which is then being contested by the Company, or by the Board at the direction of the Company. After setting aside the amount (if any) required by the preceding sentence so to be set aside, the Secured Party shall promptly apply the remaining balance of the Acquisition Fund in accordance with the succeeding provisions of this section and shall from time to time thereafter apply the moneys so set aside in the Acquisition Fund for the payment of such costs of acquiring and installing the Equipment and expenses of issuing and selling the Series 1985-B Bonds in accordance with the provisions of Section 7.2 hereof, but only to the extent of paying such costs that were incurred prior to the Completion Date; provided, however, that any moneys so set aside shall, at the direction of the Company, be applied by the Secured Party in accordance with the succeeding provisions of this section, irrespective of whether all such costs with respect to which such moneys were so set aside shall have been paid.

The Company may direct the payment to it of any moneys held in the Acquisition Fund (including any moneys set aside for the payment of costs of acquiring and installing or basing the Equipment and expenses of issuing and selling the Series 1985-B Bonds pursuant to the provisions of the first paragraph of this section) if at the time of such payment (i) the aggregate sum of such costs theretofore paid out of the Acquisition Fund exceeds (ii) the aggregate sum of the proceeds of the Series 1985-B Bonds plus the net amount realized from the investment and reinvestment of such proceeds theretofore deposited in the Acquisition Fund. If at any time the sum referred to in clause (ii) of the preceding sentence is greater than the sum referred to in clause (i) thereof, any moneys held in the Acquisition Fund shall not be paid to the Company but shall be applied in accordance with the succeeding provisions of this section.

If it shall be determined that any moneys held in the Acquisition Fund at any time after the Completion Date cannot be applied for any purpose in accordance with any of the preceding provisions of this section, then such moneys shall be held in escrow by the Secured Party and applied to the redemption of the Series 1985-B Bonds as promptly as practicable after such determination.

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**Section 7.4 Secured Party Protected in Acquisition Fund Payments. Additional Evidence May Be Required.** The Secured Party shall be fully protected in making payments from the Acquisition Fund upon presentation to it of requisitions complying with the requirements of Section 7.2 hereof. The Secured Party may rely as to the completeness and accuracy of all statements and certifications contained in such requisitions, and the Secured Party shall incur no liability in acting or proceeding in good faith upon such requisitions and shall be under no duty to make any investigation or inquiry as to any statements or certifications contained in any of such requisitions, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements and certifications. Notwithstanding the foregoing provisions of this section, the Secured Party shall, when requested in writing so to do by any Bondholder, require, as a condition precedent to any payment from the Acquisition Fund, such additional evidence as it may reasonably deem appropriate respecting the application of any moneys previously disbursed from the Acquisition Fund or as to the correctness of any estimate or bill presented to it for payment pursuant to the provisions of said Section 7.2.

**Section 7.5 Investment of Acquisition Fund Moneys.** Following the issuance of the Series 1985-B Bonds, the Company may thereafter at any time and from time to time request the Secured Party to invest the moneys held in the Acquisition Fund by furnishing to the Secured Party a written certificate signed by an Authorized Company Representative and stating (i) what portions (if any) of the moneys held in such fund are not then needed for payment of such costs and (ii) the approximate dates that such presently unneeded moneys will be needed for the payment of such costs. Promptly after receipt of each such certificate, the Secured Party will, to the extent practicable, cause the moneys certified in said certificate as not then needed for the payment of the costs of acquiring and installing or basing the Equipment or the costs and expenses of issuing the Series 1985-B Bonds to be invested in any Eligible Investments having stated maturities in such amounts and on such dates, prior to or corresponding with the dates and amounts specified in said certificate, as to make available from the Acquisition Fund cash sufficient to meet the needs of the Acquisition Fund as specified in said certificate. Such certificate may contain either specific or general instructions from the Company as to the kind of Eligible Investments in which the presently unneeded moneys in the Acquisition Fund are to be invested, and the Secured Party will comply with such instructions to the extent that they are not inconsistent with the applicable provisions hereof. Any moneys held in escrow pursuant to the provisions of the last paragraph of Section 7.3 hereof shall not be invested to produce a yield (as the term "yield" is used in REVENUE PROCEDURE 79-5, 1979-1 CUMULATIVE BULLETIN, p. 485, as supplemented and amended by REVENUE PROCEDURE 81-22, 1981-1 CUMULATIVE BULLETIN, p. 692, or any successor rule or regulation) greater than the yield on the Series 1985-B Bonds.

In the event that moneys in the Acquisition Fund are invested pursuant to the provisions hereof, the Eligible Investments in which such moneys are so invested shall become a part of the Acquisition Fund to the same extent as if they were moneys originally deposited therein. The Secured Party shall convert any such

investments into cash at their respective maturities, may sell or otherwise convert any of such investments into cash if such sale or conversion is necessary to provide for payment of a requisition presented to it pursuant to the provisions of Section 7.2 hereof, and shall, upon written request signed by an Authorized Company Representative (or, at the election of the Company, upon giving an oral request by an Authorized Company Representative to the Secured Party, with such request to be confirmed by such a written request), sell or otherwise convert any of such investments into cash. The net proceeds from such sale or conversion shall become a part of the Acquisition Fund. The Secured Party shall be fully protected in making any such investment, sale or conversion in accordance with the provisions of this section. In any determination of the amount of moneys at any time forming a part of the Acquisition Fund, all Eligible Investments in which any portion of the Acquisition Fund is at the time so invested shall be included therein at their then market value.

The Secured Party shall follow the instructions of the Company or, if an Event of Default exists, the Board with respect to investments of the Funds as provided in this Section 7.5, but the Secured Party shall not be responsible for (i) determining that any such investment complies with the arbitrage limitations imposed by Section 103(c) of the Code, including without limitation the provisions of Section 103(c)(6) of the Code relating to investment of "gross proceeds" of bonds, or (ii) calculating the amount of, or making payment of, any rebate due to the United States under Section 103(c)(6) of the Code.

## ARTICLE VIII

### PARTICULAR COVENANTS OF THE BOARD

**Section 8.1 Covenant to Pay Series 1985-B Bonds.** The Board will pay or will cause to be paid, out of the revenues and receipts derived from the leasing or sale of the Equipment and any other moneys pledged hereby, the principal of and the interest and premium (if any) on the Series 1985-B Bonds as specified therein and herein, and it will otherwise perform all obligations that, either expressly or by reasonable implication, are imposed on it in the Indenture, and it will not default hereunder.

**Section 8.2 Priority of Pledge.** The pledge herein made of the revenues and receipts derived from the leasing or sale of the Equipment shall be prior and superior to any pledge thereof hereafter made for the benefit of any other securities hereafter issued or any contract hereafter made by the Board. In the event the Board should hereafter issue any other securities payable, in whole or in part, out of the revenues or receipts to be derived from the leasing or sale of the Equipment or for which any part of said revenues or receipts may be pledged or any part of the Equipment may be mortgaged, or in the event the Board should hereafter make any contract payable, in whole or in part, out of said revenues and receipts or for which any part of said revenues and receipts may be pledged or any part of the Equipment may be mortgaged, the Board will, in the proceedings under which any such securities or contract are hereafter authorized, recognize the priority of the

pledge of said revenues and receipts made herein for the benefit of the Series 1985-B Bonds. In addition, any such securities or contract shall contain a statement describing the Series 1985-B Bonds and the priority of the pledge made herein for the benefit of the Holders thereof. The Board recognizes that in the Lease it has agreed

(a) not to issue any securities, other than the Series 1985-B Bonds, that are payable out of or secured by a pledge of the revenues and receipts derived by the Board from the leasing or sale of the Equipment or any part thereof, and

(b) not to place any mortgage or other encumbrance (other than the Indenture) on the Equipment or any part thereof,

without, in either case, the prior written request or consent of the Company.

Section 8.3 Concerning the Lease. The Indenture and the rights and privileges of the Secured Party are superior to the rights, options and privileges of the Company under the Lease. The Board will perform and observe, or cause to be performed and observed, all agreements, covenants, terms and conditions required to be observed and performed by it in the Lease. Without relieving the Board from the consequences hereunder of any default in connection therewith, the Secured Party (on behalf of the Board) may perform and observe, or cause to be performed and observed, any such agreement, covenant, term or condition, all to the end that the Board's rights under the Lease may be unimpaired and free from default.

The Board will promptly notify the Secured Party in writing of (i) the occurrence of any Lease Default, provided that the Board has knowledge of such default, and (ii) the giving or receipt by it of any notice of default under the Lease. The Board will also promptly notify the Secured Party in writing if, to the knowledge of the Board, the Company fails to perform or observe any of the agreements or covenants on its part contained in the Lease.

So long as the Lease shall remain in effect, the Board will cause the Basic Rent to be paid to the Secured Party as provided in the Lease, subject, however, to compliance with any Home Office Payment Agreements which require the Basic Rent referable to certain Series 1985-B Bonds to be paid directly to the Holders of such Series 1985-B Bonds. The Board will not cancel, terminate or modify, or consent to the cancellation, termination or modification of, the Lease (except as is specifically provided, authorized or contemplated herein) unless and until all of the Series 1985-B Bonds and any other indebtedness secured by the Indenture shall have been paid in full; provided, however, that with the written consent of the Secured Party, the Board may terminate the Lease under those provisions thereof authorizing such termination upon the occurrence of a Lease Default. In the event of a Lease Default, or in the event of a default on the part of the lessee under any subsequent lease entered into by the Board with respect to the Equipment or any part thereof, the Board will exhaust or cause to be exhausted, as promptly as may be practicable, all legal remedies that it may have against the Company or other defaulting lessee, as the case may be, to obtain compliance with the provisions of the Lease or of any subsequent lease, including payment of the

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rentals therein provided and performance and observance of all agreements and covenants on the part of the Company or other lessee therein contained.

**Section 8.4 Warranty of Title.** The Board warrants as follows: it has good title to the property described and mortgaged in Section 2.1 hereof and such title is free and clear of every lien, encumbrance, trust or charge prior to the lien hereof, other than Permitted Encumbrances; it has power and authority to subject said property to the lien hereof and has duly done so; and it will forever warrant and defend the title to the Equipment unto the Secured Party, for the benefit of the Bondholders, against the claims of all persons whomsoever, except those claiming under Permitted Encumbrances.

**Section 8.5 Agreement of the Board to Maintain Corporate Existence and Not to Dispose of the Project.** Except to the extent specifically permitted otherwise by the provisions of the second paragraph of this section, the Board will maintain its corporate existence, will not dissolve or sell, transfer or otherwise dispose of the Project or any part thereof and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it. Further, the Board will use its best efforts to maintain, preserve and renew all the rights and powers provided to it by the Act and any other applicable laws of the State of Alabama or the United States of America.

If the laws of the State of Alabama at the time shall permit such action to be taken, nothing contained in this section shall prevent (a) the consolidation of the Board with, or the merger of the Board into, any public corporation having corporate authority to undertake and perform the obligations and agreements of the Board under the Lease and the Indenture or (b) the transfer by the Board of the Project as an entirety to Shelby County or to another public corporation having corporate authority to undertake and perform the obligations and agreements of the Board under the Lease and the Indenture; provided that upon any such consolidation, merger or transfer the following conditions shall be satisfied: (i) the due and punctual payment of the principal of and the interest and premium (if any) on the Series 1985-B Bonds according to their tenor and the due and punctual performance and observance of all the agreements and conditions contained in the Lease and the Indenture to be kept and performed by the Board shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or the instrumentality to which the Project shall be transferred as an entirety; (ii) such consolidation, merger or transfer shall not cause or result in any mortgage or other lien being imposed on the Equipment or the revenues therefrom that will be prior to the lien of the Indenture covering the Equipment or prior to the pledge of the revenues from the Equipment made in the Indenture for the benefit of the Series 1985-B Bonds; and (iii) such consolidation, merger or transfer shall not cause or result in the Equipment or the revenues of the Board therefrom becoming subject to any taxation to which the same was not theretofore subject, or in the interest income on any of the Series 1985-B Bonds becoming subject to income taxation by the United States of America, the State of Alabama or any political subdivision of either thereof. Nothing contained herein, however, shall be construed to prevent the release of any property from the lien of the Indenture pursuant to the provisions of either Section 9.2 or 9.4 hereof.

**Section 8.6 Freedom of the Equipment from Liens.** The Board will not knowingly permit the Equipment to be or remain subject to any liens and encumbrances (other than Permitted Encumbrances), but it may defer payment pending the bona fide contest of any claim unless the Secured Party shall be of the opinion that by such action the lien of the Indenture as to the Equipment or any part thereof shall be materially endangered or the Equipment or any part thereof shall be subject to loss or forfeiture, in which event any such payment then due shall not be deferred. Nothing herein contained shall be construed to prevent the Board from hereafter purchasing, for use in connection with the Equipment or the Terminal Facilities, additional property on conditional or lease sale contract or subject to vendor's lien or purchase money mortgage, and all property so purchased (other than property that is, under the terms of the Lease or the Indenture, to constitute part of the Equipment) shall not be subject to the lien of the Indenture.

**Section 8.7 Inspections by the Secured Party.** Subject to the provisions of Section 8.2 of the Lease, the Board will permit the Secured Party and its duly authorized agents to inspect, at any reasonable time, any and every part of the Equipment and will permit the Secured Party to inspect, at any reasonable time, the books and records of the Board pertaining to the Equipment. The Board will assist in furnishing facilities for any such inspection.

**Section 8.8 Recordation. Further Assurances.** The Board will cause the Indenture, and all instruments amending or supplementing the Indenture hereafter executed, and all certificates of title covering items of Rolling Stock, to be filed for record in such public office or offices in which said documents are required by law to be filed in order to constitute constructive notice thereof and to preserve and protect fully the rights and security afforded thereby to the Secured Party and the Bondholders. In addition, the Board

(a) will, upon reasonable request, execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectually the purposes of the Indenture, and in particular (without in any way limiting the generality of the foregoing) to make subject to the lien of the Indenture any property hereafter acquired as a part of the Equipment and to transfer to any successor Secured Party or Secured Parties the assets, powers, instruments and funds held in trust hereunder and to confirm the lien of the Indenture with respect to the Series 1985-B Bonds, and

(b) will take all actions that at any time and from time to time may be necessary (or, in the opinion of the Secured Party, may be necessary) to perfect, preserve, protect and secure the interests of the Board and the Secured Party, or either, in and to the Equipment and the Lease.

No failure to request such further instruments or further acts shall be deemed a waiver of any right to the execution and delivery of such instruments or the doing of such acts, nor shall such failure be deemed to affect the interpretation of any provisions of the Indenture.

The obligations of the Board under this section are limited to cooperation with, and the taking of actions requested by, the Secured Party or other interested parties, and nothing contained in this section shall be construed as imposing upon the Board an affirmative duty to determine whether the filing or recording or the re-filing or re-recording of any instruments (including, without limitation, Uniform Commercial Code financing statements and endorsements of certificates of title covering items of Rolling Stock) is at the time necessary to preserve or protect any interest of the Board or the Secured Party in the Equipment, the Lease or any other rights or properties mortgaged or pledged under the Indenture.

#### ARTICLE IX

#### CERTAIN PROVISIONS RELATING TO THE POSSESSION, USE AND RELEASE OF THE EQUIPMENT AND TO THE DISPOSITION OF INSURANCE PROCEEDS AND CONDEMNATION AWARDS

**Section 9.1 Retention of Possession of the Equipment by the Board.** Unless an Event of Default shall have occurred and be continuing, or except as otherwise provided herein, the Board may retain actual possession of the Equipment and may manage and lease the same, and may collect, use and enjoy the rents, revenues, income and profits thereof to such extent as does not violate any of the Board's covenants herein contained or contained in the Lease.

**Section 9.2 Release of the Equipment.** Reference is hereby made to Section 6.2 of the Lease, which permits the Company, upon compliance with the conditions therein contained, to remove or sever from the Project items of the Equipment and to sell or otherwise dispose of such items free and clear of the demise of the Lease and of the lien of the Indenture. Any item of the Equipment released from the demise of the Lease in accordance with the provisions thereof shall also be released from the lien of the Indenture, and the Secured Party shall, at the expense of the Company, execute and deliver such instruments as the Company may request in order to confirm such release. Any moneys paid to the Secured Party pursuant to Section 6.2 of the Lease in connection with any release from the demise of the Lease of any item of the Equipment shall be applied for the redemption of Series 1985-B Bonds pursuant to Section 3.6 hereof on the earliest practicable date.

**Section 9.3 Disposition of Insurance Proceeds.** Reference is hereby made to Section 7.1 of the Lease, wherein it is provided that if the Equipment is destroyed, in whole or in part, or is damaged, by fire or other casualty, and the cost of repairing or replacing such Equipment is in excess of \$10,000, then all "Net Insurance Proceeds" (as defined in the Lease) recovered by the Board, the Company and the Secured Party shall be paid to and held by the Secured Party and shall thereafter be applied by the Secured Party in the manner and for the purposes specified in Section 7.1 of the Lease.

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Section 9.4 **Disposition of Condemnation Award; Release Upon Payment of Award.** Reference is hereby made to Section 7.2 of the Lease, wherein it is provided that if title to substantially all of the Project shall be taken through the exercise of the power of eminent domain, then the entire condemnation award referable thereto shall be paid to and held by the Secured Party and shall thereafter be applied by the Secured Party in the manner and for the purposes specified in said Section 7.2.

## ARTICLE X

### EVENTS OF DEFAULT AND REMEDIES OF SECURED PARTY AND BONDHOLDERS

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

(a) failure by the Board to pay the principal of and the interest and premium (if any) on any Series 1985-B Bond as and when the same become due as therein and herein provided (whether such shall become due at maturity, upon redemption, by acceleration or otherwise);

(b) a Lease Default;

(c) an "Event of Default" under the Series 1985-B Guaranty, as such term is respectively therein defined and used;

(d) any material warranty, representation or other statement by or on behalf of the Board contained in the Lease or in the Indenture, or in any document furnished by the Board in connection with the issuance and sale of the Series 1985-B Bonds, being false or misleading in any material respect at the time made;

(e) failure by the Board to perform and observe any agreement, covenant, or condition required by the Indenture to be performed or observed by it [other than (i) its agreement to pay the principal of and the interest and premium (if any) on the Series 1985-B Bonds and (ii) any other agreement, covenant or condition with respect to which its failure to perform or observe is the result of a Lease Default] after thirty (30) days' written notice to it of such failure given by the Secured Party or by the Holders of not less than twenty-five percent (25%) in principal amount of the Series 1985-B Bonds then outstanding, unless during such period or any extension thereof the Board has commenced and is diligently pursuing appropriate corrective action; or

(f) approval by a court of competent jurisdiction of any petition for rearrangement or readjustment of the obligations of the Board under any provisions of the bankruptcy laws of the United States.

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Section 10.2 Remedies on Default. Upon the occurrence and continuation of any Event of Default, the Secured Party shall have the following rights and remedies, subject to the provisions of Section 10.8 hereof:

(a) Acceleration. The Secured Party may, by written notice to the Board, declare the principal of and the interest accrued on the Series 1985-B Bonds forthwith due and payable, and thereupon they shall so be, anything herein or therein to the contrary notwithstanding; provided that the Secured Party may not have or exercise the right or remedy granted by this subsection (a) unless the Event of Default that has occurred is one of those specified in subsection (a), (b) or (c) of Section 10.1 hereof [it being understood, however, that upon any sale of the Project pursuant to subsection (c) of this Section 10.2 or pursuant to judicial authority, the principal of and the interest accrued on all of the Series 1985-B Bonds not yet matured or declared due shall forthwith become due pursuant to Section 10.5(a) hereof, regardless of the nature of the Event of Default resulting in such sale of the Project].

(b) Possession of the Project. The Secured Party shall have the power to require the Board to surrender possession of the Project to it, and the Board shall, upon demand so to do by the Secured Party, forthwith surrender to the Secured Party actual possession of the Project or such part or parts thereof as the Secured Party may designate, and the Secured Party shall take possession thereof and may wholly exclude the Board and its agents therefrom. The Secured Party shall thereafter have the power to operate, lease or otherwise control, use and dispose of the Project in the manner it deems most beneficial to the Bondholders. The Secured Party shall further have the power to make such repairs, replacements, alterations, additions or improvements to the Project as it may consider advisable, to collect the income therefrom and to pay all proper charges and maintenance expenses thereof, including all proper disbursements by the Secured Party.

(c) Sale of the Project. The Secured Party shall have the power to sell, at public auction, as a whole or by individual item, at such time and on such terms as it deems best, to the highest bidder, all or any part of the Project and the entire interest and equity of redemption of the Board therein, subject, however, to succeeding provisions of this section and to the provisions of Sections 10.4 and 10.5 hereof.

(d) Sale of the Series 1985-A Equipment. The Secured Party shall have the power to sell, at public auction, as a whole or by individual item, at such time and on such terms as it deems best, to the highest bidder, all or any part of the Series 1985-A Equipment and the entire interest and equity of redemption of the Board therein; subject, however, to the Indenture termination provisions applicable to the Series 1985-A Equipment in Section 2.1 hereof; and subject to the succeeding provisions of this section and to the provisions of Sections 10.4, 10.5, 10.6 and 10.7 hereof, which shall apply to the Series 1985-A Equipment in the same manner that they apply to the Equipment and the Project.

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(e) Other Remedies. The Secured Party shall have the power to proceed with any other right or remedy independent of or in aid of the foregoing powers, as it may deem best, including the right to foreclose the Indenture by bill in equity or by proceedings at law, the right to secure specific performance by the Board or the Company of any agreement on their part contained in the Lease or the Indenture, and the right to the appointment, as a matter of right and without regard to the sufficiency of the security afforded by the Project, of a receiver for all or any part of the Project and the earnings, rents and income therefrom. The rights here specified are to be cumulative to all other available rights, remedies or powers and shall not exclude any such.

If, upon the occurrence of an Event of Default, the Board makes good the default which is the reason for such Event of Default and every other default hereunder (except any principal and interest declared payable that would, absent such declaration, not then be payable), with interest on all overdue payments of principal and interest, and makes reimbursement of all the reasonable expenses of the Secured Party, then the Secured Party may in its discretion, and shall upon the written request of the Holders of a majority in principal amount of the Series 1985-B Bonds then outstanding, waive such default and its consequences, but no such waiver shall affect any subsequent default or right relative thereto. Further, upon the occurrence of any Event of Default, except a default in the payment of the principal of or the interest or premium (if any) on any of the Series 1985-B Bonds, the Secured Party may in its discretion, and shall upon the written request of the Holders of a majority in principal amount of the Series 1985-B Bonds then outstanding, waive such default and its consequences without the Board having theretofore made good such default, but no such waiver shall affect any subsequent default or right relative thereto. In case any proceeding taken by the Secured Party on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Secured Party, then and in every case the Board and the Secured Party shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Secured Party shall continue as though no such proceeding had been taken.

**Section 10.3 Limited Obligation of the Secured Party to Take Remedial Actions.** Upon the occurrence of an Event of Default, the Secured Party need not exercise any of its rights or powers specified in Section 10.2 hereof or take any action under said Section 10.2, unless requested in writing so to do by the Holders of twenty-five percent (25%) in aggregate principal amount of the Series 1985-B Bonds then outstanding. Without any such request, the Secured Party may exercise any such rights or powers or take any such action if it believes the exercise of such rights or powers or the taking of such action is advisable to protect the interests of the Bondholders; and the Secured Party shall exercise any such rights or powers or take any such action when so requested, provided that the furnishing of indemnity, satisfactory to the Secured Party, against its prospective liabilities and expenses by the Bondholders requesting any action by the Secured Party under Section 10.2 hereof shall be a condition precedent to the duty of the Secured Party to take or continue any such action which, in the opinion of the Secured Party, would subject it to any such liabilities or expenses. The Holders of a majority in aggregate principal amount of the Series 1985-B Bonds then outstanding shall have the right to direct

the time, method and place of enforcing any remedy available to the Secured Party, provided that (i) such direction shall not be in conflict with any rule of law or the Indenture, (ii) the Secured Party shall not determine that the action so directed would be unjustly prejudicial to the Bondholders not taking part in such direction, and (iii) the Secured Party may take any other action deemed proper by the Secured Party which is not inconsistent with such direction.

**Section 10.4 Notice of Sale of the Project.** Notice of any sale by the Secured Party of any part of the Project pursuant hereto shall state the time and place of such sale [which time shall be between the legal hours of sale and which place shall be before the main entrance of the Courthouse of Shelby County, Alabama], shall describe briefly the property to be sold, and shall be sufficiently given if published once a week for three successive weeks preceding the date of sale in a newspaper having general circulation in Shelby County, Alabama. At any foreclosure sale any part or all of the Project, real, personal or mixed, may be offered for sale in parcels or en masse for one total price, the proceeds of any such sale en masse to be accounted for in one account without distinction between the items included therein or without assigning to them any proportion of such proceeds, the Board hereby waiving the application of any doctrine of marshalling or like proceeding. If the Secured Party, in the exercise of the power of sale herein given, elects to sell the Project in parts or parcels, sales thereof may be held from time to time, and the power of sale granted herein shall not be fully exercised until all of the Project not previously sold shall have been sold or all the Series 1985-B Bonds shall have been paid in full.

**Section 10.5 Conditions Applicable to Sale of the Project.** The following conditions shall apply to any sale of the Project or any part thereof by the Secured Party pursuant to any power granted by the Indenture or pursuant to judicial authority:

(a) The principal of and the interest accrued on all the Series 1985-B Bonds not yet matured or declared due shall forthwith become due, anything therein or herein to the contrary notwithstanding.

(b) The Project or any part thereof may be sold without having the Project or such part thereof at the place of sale; and the Board, for itself, its successors and assigns and for all persons hereafter claiming through or under it, hereby expressly waives and releases all right to have such property marshalled at the place of sale upon any foreclosure sale thereof.

(c) The Secured Party may adjourn, or cause to be adjourned, from time to time, any sale (or any adjournment thereof), whether made under the power of sale herein granted or under or by virtue of judicial proceedings, by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by law, such sale may be made, without further notice or publication, at the time and place to which the same shall be so adjourned.

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(d) Any Bondholder or Bondholders or the Secured Party, or any of them, may bid for and purchase the property, or any portion thereof, to be sold at such sale.

(e) The purchaser may make payment, in whole or in part, of the amount by which his bid exceeds the sum necessary to discharge any prior liens and to pay costs, charges, fees and expenses by receipting for the share of the proceeds of the sale to which as a Bondholder he will be entitled.

(f) The Secured Party is hereby appointed, empowered and directed by the Board as its irrevocable attorney to convey, assign, transfer and deliver to the purchaser the property sold and make all necessary conveyances and transfers thereof, all of which the Board hereby ratifies. The entire right, title, interest, claim and demand, legal and equitable, of the Board in the property sold shall be completely divested by such sale and the same shall be a perpetual legal and equitable bar to any claim by the Board thereto. The Board, however, if and when requested, will execute and deliver to the purchaser such instruments as may be requested by the purchaser in further assurance of the title so acquired.

(g) The purchaser upon paying the purchase money to the Secured Party and receiving its receipt therefor need not inquire into the authorization, necessity, expediency or regularity of the sale and need not see to or in any way be responsible for the application by the Secured Party of any part of the purchase money.

**Section 10.6 Equipment.** (a) If an Event of Default exists, the Secured Party shall have and may exercise with respect to the Equipment, all rights, remedies and powers of a secured party under the Alabama Uniform Commercial Code (and other applicable similar statutes in other jurisdictions) with reference to the Equipment or any other items in which a security interest has been granted herein, including without limitation the right and power to sell at public or private sale or sales or otherwise dispose of, lease or utilize the Equipment and any part or parts thereof in any manner, to the fullest extent authorized or permitted under the Alabama Uniform Commercial Code after default hereunder, without regard to preservation of the Equipment or its value and without the necessity of a court order. The Secured Party shall have, among other rights, the right to take possession of the Equipment and to enter upon any premises where the same may be situated for the purpose of repossessing the same without being guilty of trespass and without liability for damages occasioned thereby and to take any action deemed appropriate or desirable by the Secured Party, at its option and its sole discretion, to repair, restore or otherwise prepare the Equipment for sale or lease or other use or disposition. To the extent permitted by law, the Board expressly waives any notice of sale or any other disposition of the Equipment and any rights or remedies of the Secured Party with respect to, and the formalities prescribed by law relative to, the sale or disposition of the Equipment or to the exercise of any other right or remedy of the Secured Party existing after default. To the extent that such notice is required and cannot be waived, the Board agrees that if such notice is given to the

Board at least five (5) days before the time of the sale or other disposition, such notice shall be deemed reasonable and shall fully satisfy any requirement for giving said notice.

(b) The Secured Party may sell or dispose of the personal property comprising the Project in accordance with the rights and remedies granted under this Indenture. The Board hereby grants the Secured Party the right, at its option after the occurrence of an Event of Default and during the continuance thereof, to transfer at any time to itself or its nominee the Equipment or any part thereof and to receive the monies, income, proceeds and benefits attributable to apply the same on, or as a reserve against, the Series 1985-B Bonds in such order and manner as the Secured Party may elect.

**Section 10.7 Application of Moneys Received from Enforcement of Rights Under the Indenture.** Upon the occurrence and continuation of an Event of Default, any moneys derived by the Secured Party from the Equipment or from the enforcement of the Board's rights under the Lease or from the exercise of any other right or remedy granted to the Secured Party under the Indenture, together with all other funds then held by it hereunder, shall be applied for the following purposes and in the following order:

First: payment of all proper costs, expenses and liabilities incurred and disbursements made by the Secured Party for which it is entitled hereunder to obtain reimbursement, as well as all liens and charges on the Equipment prior to the rights of the Secured Party which in the opinion of the Secured Party it is advisable to pay;

Second: payments of the principal of and interest on the Series 1985-B Bonds then due and unpaid, ratably, without preference or priority of any kind, according to the amounts of such principal and interest then due;

Third: payment to the Board of any claims it may have against the Company under the Lease; and

Fourth: payment of the remainder, if any, to the Company or to such other Persons as may be lawfully entitled thereto.

Whenever moneys are to be applied pursuant to the provisions of this section, such moneys shall be applied at such time or times, and from time to time, as the Secured Party shall determine, having due regard to the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Secured Party shall apply such funds, it shall fix the date (which shall be a Bond Payment Date unless it shall deem another date more suitable) upon which such application is to be made, and upon such date interest on the amounts of principal and interest to be paid on such dates shall cease to accrue. The Secured Party shall give such notice as it may deem appropriate of the deposit with it of any such moneys and of the fixing of any such date and shall not be required to make payment to the Holder of any unpaid Series 1985-B Bond until such Series 1985-B Bond shall be presented to the Secured Party for appropriate endorsement or for cancellation if fully paid; provided, however,

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that the payment of any Series 1985-B Bonds shall be subject to the provisions of any Home Office Payment Agreement in effect with respect to such Series 1985-B Bonds.

**Section 10.8 Remedies Vested in the Secured Party.** All remedies hereunder are vested exclusively in the Secured Party for the equal and pro rata benefit of all the Holders of the Series 1985-B Bonds, unless the Secured Party refuses or neglects to act within a reasonable time after written request so to act addressed to the Secured Party by the Holders of twenty-five percent (25%) in aggregate principal amount of the outstanding Series 1985-B Bonds, accompanied by indemnity satisfactory to the Secured Party, in which event any Bondholder may thereupon so act in the name and behalf of the Secured Party or may so act in his own name in lieu of action by or in the name and behalf of the Secured Party. Except as above provided, no Bondholder shall have the right to enforce any remedy hereunder, and then only for the equal and pro rata benefit of all the Bondholders.

Notwithstanding any other provision hereof, the right of the Holder of any Series 1985-B Bond, which is absolute and unconditional, to payment of the principal of and the interest and premium (if any) on such Series 1985-B Bond on or after the due date thereof, but solely from the sources of payment therein and herein expressed, or to institute suit for the enforcement of such payment on or after such due date, or the obligation of the Board, which is also absolute and unconditional, to pay, but solely from said sources of payment, the principal of and the interest and premium (if any) on the Series 1985-B Bonds to the respective Holders thereof at the time and place in said Series 1985-B Bonds expressed, shall not be impaired or affected without the consent of such Holder.

**Section 10.9 Rights of the Company Upon Occurrence of an Event of Default.** If an Event of Default should occur solely by reason of some action or failure to act on the part of the Board, and if at the time there shall have not occurred and be continuing a Lease Default, the Secured Party shall notify the Company in writing of the occurrence of such Event of Default and the Company shall have the right to cure such Event of Default hereunder within thirty (30) days after such written notice, provided that the Company shall pay all expenses of curing such Event of Default. The Company is hereby authorized, to the extent permitted by law, to take such actions as may be necessary for and on behalf of the Board to cure such Event of Default, and the Secured Party shall accept performance of such actions by the Company as performance by the Board in such event. The exercise of the remedies set forth in Section 10.2 hereof are subject to the right of the Company to cure such Event of Default as provided in this section.

**Section 10.10 Remedies Cumulative.** No remedy herein conferred upon or reserved to the Secured Party or to the Bondholders is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

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Section 10.11 **Delay or Omission Not a Waiver.** No delay or omission of the Secured Party or of any Bondholder to exercise any right, power or remedy accruing upon any Event of Default shall impair any such right, power or remedy or be construed as a waiver of any such default or an acquiescence therein; and every right, power or remedy given by the Indenture to the Secured Party or to the Bondholders may be exercised from time to time and as often as deemed expedient.

Section 10.12 **Cooperation with the Secured Party.** In the event the Secured Party institutes any suit or proceeding against the Company, the Board will cooperate to the extent and in the manner reasonably requested by the Secured Party, but the Board shall not be obligated to incur any expenses for its own account in fulfilling such duty of cooperation.

## ARTICLE XI

### THE SECURED PARTY

Section 11.1 **Authorization and Action; Limited Obligation of the Secured Party to Pay Series 1985-B Bonds.** Each Bondholder hereby appoints and authorizes the Secured Party to take such action as agent on its behalf and to exercise such powers under the Indenture as are delegated to the Secured Party by the terms hereof, together with such powers as are reasonably incidental thereto. As to any matters not expressly provided for by the Indenture, the Secured Party shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Holders of a majority in principal amount of the Series 1985-B Bonds then outstanding, and such instructions shall be binding upon all Bondholders; provided, however, that the Secured Party shall not be required to take any action which exposes the Secured Party to personal liability or which is contrary to the Indenture or applicable law. Anything contained herein or in the Lease to the contrary notwithstanding, the Secured Party shall not be obligated (i) to pay the principal of or the interest or premium (if any) on the Series 1985-B Bonds from any source of payment other than moneys made available to it for such purpose under the Lease, the Indenture or the Series 1985-B Guaranty or (ii) to invest or pay interest on any Basic Rent or other moneys belonging to, or impressed with a lien for the benefit of, the Board, the Company or any of the Bondholders that may come into the possession of the Secured Party and be held by it for any period in accordance with the provisions of the Lease or the Indenture. The Secured Party undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Secured Party.

Section 11.2 **Limited Responsibility of the Secured Party.** Neither the Secured Party nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by it or them under or in connection with the Indenture, except for its or their own gross negligence or willful misconduct. Without limiting the generality of the foregoing, the Secured Party (i)

may consult with Counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such Counsel, accountants or experts, (ii) makes no warranty or representation to any Bondholder and shall not be responsible to any Bondholder for any statements, warranties or representations made in or in connection with the Indenture, (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of the Indenture or of the Lease or to inspect the Equipment or the books and records of the Board or the Company, (iv) shall not be responsible to any Bondholder for the due execution, legality, validity, enforceability, genuineness or sufficiency of the Indenture or the Lease or any other instrument or document furnished in connection with the issuance of the Series 1985-B Bonds, and (v) shall incur no liability under or in respect of the Indenture by acting upon any notice, consent, certificate or other instrument or writing believed by it to be genuine and signed or sent by the proper party or parties. No provision of this Indenture shall require the Secured Party to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds to believe that repayment of such funds or adequate indemnity against such risk or liability by the Holder of the Series 1985-B Bonds is not reasonably assured to it.

**Section 11.3 Rights of the Secured Party as Bondholder.** With respect to any Series 1985-B Bonds at any time acquired by it, the Secured Party shall have the same rights and powers under the Indenture as any other Bondholder and may exercise the same as though it were not the Secured Party; and the term Bondholder shall, unless otherwise expressly indicated, include the Secured Party in its individual capacity as a Bondholder. The Secured Party and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Board or the Company or any Affiliate of either thereof and any person or entity who may do business with or own securities of the Board or the Company or any Affiliate of either thereof, all as if the Secured Party were not the Secured Party hereunder and without any duty to account therefor to the Bondholders.

**Section 11.4 Indemnification.** Each Bondholder by accepting a Series 1985-B Bond agrees to indemnify the Secured Party (to the extent not reimbursed by the Board or the Company), ratably according to the respective principal amounts of the Series 1985-B Bonds then held by each of them, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by, or asserted against the Secured Party in any way relating to or arising out of the Indenture or any action taken or omitted by the Secured Party under the Indenture, provided that no Bondholder shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Secured Party's gross negligence or willful misconduct nor any loss suffered by the Secured Party by reason of the failure of the Board to pay the principal of or the interest or premium (if any) on any of the Series 1985-B Bonds of which the Secured Party is the Holder. Without limitation of the foregoing, each Bondholder agrees to reimburse the Secured Party

in connection with the preparation, execution, administration or enforcement of, or legal advice in respect of rights or responsibilities under, the Indenture, to the extent that the Secured Party is not reimbursed for such expenses by the Board or the Company.

**Section 11.5 Successor Secured Party.** The Secured Party may resign at any time by giving written notice thereof to the Board and to each of the Bondholders and may be removed at any time, with or without cause, by the Holders of a majority in principal amount of the Series 1985-B Bonds then outstanding. Upon any such resignation or removal, the Holders of a majority in principal amount of the Series 1985-B Bonds then outstanding shall have the right to appoint a successor Secured Party. If no successor Secured Party shall have been appointed by the Bondholders and shall have accepted such appointment within thirty (30) days after the retiring Secured Party shall have given notice of its resignation or shall have been removed, as the case may be, then the retiring Secured Party may, on behalf of the Bondholders, appoint a successor Secured Party, which shall be a commercial bank organized under the laws of the United States of America or of any state thereof and having combined capital, surplus and undivided profits of at least \$10,000,000. Upon the acceptance of any appointment as Secured Party hereunder, any successor Secured Party shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Secured Party, and the retiring Secured Party shall be discharged from its duties and obligations under the Indenture. After any retiring Secured Party's resignation or removal hereunder as Secured Party, the provisions of this Article XI shall continue to inure to its benefit as to any actions taken or omitted to be taken by it while it was the Secured Party.

**Section 11.6 Payment of the Secured Party's Charges; Lien Therefor.** The Board will discharge, pay or satisfactorily provide to the Secured Party, or cause to be discharged, paid or provided, (i) the reasonable expenses and compensation of the Secured Party as registrar, transfer agent and paying agent with respect to the Series 1985-B Bonds, but no such expenses and compensation shall be allowed for any period during which the Secured Party shall be the Holder of all of the outstanding Series 1985-B Bonds, (ii) the reasonable expenses of the Secured Party in connection with the issuance of a new Series 1985-B Bond upon the partial redemption of any Series 1985-B Bond and (iii) the reasonable expenses and compensation of the Secured Party for necessary extraordinary services rendered by it under the Indenture. As security for the payment of such amounts, the Secured Party shall have a first lien on the Equipment and the rentals and other receipts therefrom pledged hereunder and all funds held or collected by the Secured Party as such, with right of payment therefrom prior to the rights of the Bondholders.

**Section 11.7 Notice to Bondholders of Series 1985-B Determination of Taxability.** Within seven (7) days after the Secured Party first learns of a Series 1985-B Determination of Taxability, the Secured Party shall deliver to the Holders of the then outstanding Series 1985-B Bonds written notice of such Series 1985-B Determination of Taxability by United States registered or certified mail, postage prepaid, at the respective addresses of such Holders appearing in the records of the

Secured Party pertaining to the registration of the Series 1985-B Bonds. Such written notice shall contain a statement of such Series 1985-B Determination of Taxability and a description of the rights and options of the Bondholders with respect to the redemption of the Series 1985-B Bonds as set forth in Section 3.7(b) of the Indenture.

## ARTICLE XII

### AMENDMENT OF THE INDENTURE AND THE LEASE

Section 12.1 Amendment of the Indenture. The Board and the Secured Party may, at any time and from time to time, with the written consent of the Holders of a majority in aggregate principal amount of the Series 1985-B Bonds then outstanding, amend or supplement the Indenture to such extent as shall be deemed necessary or desirable by the Board and the Secured Party; provided that, without the written consent of the Holder of each Series 1985-B Bond affected, no reduction in the principal amount of, the rate of interest on, or the premium payable upon the redemption of, any Series 1985-B Bond shall be made; and provided further that, without the written consent of the Holders of all the Series 1985-B Bonds then outstanding, none of the following shall be permitted:

(a) an extension of the maturity of any installment of principal of or interest on any Series 1985-B Bond;

(b) a reduction in principal amount or a postponement in the redemption date of any Series 1985-B Bonds required to be redeemed prior to the stated maturities thereof pursuant to any mandatory redemption provisions applicable to such Series 1985-B Bonds;

(c) the creation of a lien or charge on the Equipment or any other property conveyed or encumbered under the Indenture or the revenues pledged thereunder ranking prior to or on a parity with the lien and charge thereon contained in the Indenture;

(d) the establishment of preferences or priorities as between the Series 1985-B Bonds; or

(e) a reduction in the aggregate principal amount of the Series 1985-B Bonds the Holders of which are required to consent to any amendment or supplement to the Indenture.

The Board and the Secured Party recognize that, under the terms of Section 9.1 of the Lease, they may not, so long as no Lease Default shall have occurred and be continuing, amend or supplement the Indenture without the prior written consent of the Company. Subject to such consent (if required by the terms of said Section 9.1), the Secured Party is authorized to join with the Board in the execution of any amendment or supplement to the Indenture authorized under the provisions of this article and to make the further agreements and stipulations which

may be contained therein, but the Secured Party shall not be obligated to enter into any such amendment or supplement which affects its rights, duties or immunities under the Indenture. Upon the execution of any amendment or supplement to the Indenture under and pursuant to the provisions of this Article XII, the Indenture shall be deemed to be amended and supplemented in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Board, the Company, the Secured Party and the Bondholders shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments and supplements.

**Section 12.2 Amendment of the Lease.** The Board and the Company may, at any time and from time to time, with the written consent of the Secured Party and the written consent of the Holders of a majority in aggregate principal amount of the Series 1985-B Bonds then outstanding, amend or supplement the Lease to such extent as shall be deemed necessary or desirable by the Board and the Company; provided that, without the written consent of the Holders of all the Series 1985-B Bonds then outstanding, no amendment or supplement to the Lease shall permit (i) any abatement of, or reduction in the amount of, Basic Rent prior to payment in full of the principal of and the interest and premium (if any) on the Series 1985-B Bonds [other than a reduction resulting from and directly proportional to a reduction in the amounts required for payment of the principal of and the interest and premium (if any) on the Series 1985-B Bonds], (ii) any change in the due dates of the Basic Rent prior to such full payment of the Series 1985-B Bonds, or (iii) any other change that, in the judgment of the Secured Party, might adversely affect the interests of the Bondholders.

**Section 12.3 Notices with Respect to Amendment of the Indenture or the Lease.** If at any time the Board shall request the Secured Party to enter into any amendment or supplement to the Indenture, or to consent to any amendment or supplement to the Lease, the Secured Party shall cause notice of the proposed amendment or supplement to the Indenture or the proposed amendment or supplement to the Lease, as the case may be, to be forwarded by United States registered or certified mail, postage prepaid, to every Bondholder then shown on the registry books of the Secured Party. Such notice shall briefly set forth the nature of the proposed amendment or supplement to the Indenture or the proposed amendment or supplement to the Lease, as the case may be.

If, within sixty (60) days (or such longer period as shall be prescribed by the Secured Party) following the date on which notice shall be mailed to the Bondholders as provided in the first paragraph of this section, the Holders of a majority in principal amount of the Series 1985-B Bonds outstanding at the time of the execution of any proposed amendment or supplement to the Indenture or at the time of the execution of any proposed amendment or supplement to the Lease, as the case may be, shall have given written consent to the execution thereof as herein provided, and if such proposed amendment or supplement to the Indenture or the Lease, as the case may be, does not require the written consent of the Holders of all the Series 1985-B Bonds then outstanding, no Holder of any Series 1985-B Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution

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thereof, or to enjoin or restrain the Secured Party or the Board from executing the same or from taking any action pursuant to the provisions thereof.

It shall not be necessary for any written consent of any Bondholder under this Article XII to approve the particular form of any proposed amendment or supplement to the Indenture or the Lease, but it shall be sufficient if such consent shall approve the substance thereof.

**Section 12.4 Discretion of the Secured Party.** In the case of any proposed amendment or supplement to the Indenture or the Lease authorized by this Article XII, the Secured Party shall be entitled to exercise its discretion in determining whether or not such amendment or supplement, or any term or provision thereof, complies with the applicable provisions of the Indenture, and the Secured Party shall not be under any responsibility or liability to the Board or to any Bondholder or to anyone whomsoever for any act or thing which it may in good faith do or decline to do under the provisions of this article.

## ARTICLE XIII

### MISCELLANEOUS

**Section 13.1 Satisfaction of the Indenture.** Whenever all of the principal of and interest and premium (if any) on the Series 1985-B Bonds shall have been fully paid and the Board shall have performed and observed all the covenants and promises expressed in the Series 1985-B Bonds and in the Indenture to be performed and observed by it or on its part, the Secured Party shall, at the expense of the Board, cancel, satisfy and discharge the lien of the Indenture and shall execute and deliver to the Board such instruments and bills of sale as shall be requisite to satisfy of record the lien hereof and to reconvey and transfer the Equipment to the Board.

**Section 13.2 Payment to the Company of Surplus Moneys.** At such time as all of the Series 1985-B Bonds and all other indebtedness secured by the Indenture shall have been fully paid in accordance with the provisions of Section 13.1 hereof, the Secured Party shall, if the Lease has not theretofore been terminated as a result of a Lease Default, pay or cause to be paid to the Company any surplus moneys held by the Secured Party (whether held in the Acquisition Fund or otherwise) in accordance with the provisions of the Indenture, but not including any amounts held by the Secured Party for the payment of the principal of and the interest and premium (if any) on the Series 1985-B Bonds.

**Section 13.3 Disclaimer of General Liability.** It is hereby expressly recognized and made a condition of the Indenture that

(a) the liability of the Board for the payment of the principal of and the interest and premium (if any) on the Series 1985-B Bonds and the

performance and observance of all agreements, covenants and representations of the Board contained in the Indenture or the Series 1985-B Bonds shall be limited to the proper application of the revenues and receipts derived from the leasing or sale of the Equipment,

(b) any agreements, covenants or representations herein contained or contained in the Series 1985-B Bonds do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit of the Board, and

(c) in the event of a breach of any such agreement, covenant or representation, no pecuniary liability or charge payable directly or indirectly from the general revenues of the Board shall arise therefrom.

Neither the State of Alabama nor Shelby County or any other political subdivision of said state shall in any manner be liable for the payment of the principal of or the interest or premium (if any) on the Series 1985-B Bonds or for the performance or observance of any of the agreements, covenants or representations of the Board contained in the Indenture or in the Series 1985-B Bonds. Further, none of the directors, officers, employees or agents (other than the Company as agent of the Board in connection with the acquisition and installation or basing of the Equipment) of the Board shall have any personal liability whatever hereunder or any liability for the breach by the Board of any of the agreements on its part herein contained. Nothing contained in this section, however, shall relieve the Board from the observance and performance of the several covenants and agreements on its part herein contained or relieve the directors, officers or employees of the Board from performing all duties of their respective offices that may be necessary to enable the Board to perform the covenants and agreements on its part herein contained.

It is acknowledged (i) that the Directors serve without compensation, (ii) that the Board has and will probably continue to have little specific knowledge about the operation of the Equipment and the affairs of the Company, (iii) that the Board will not undertake, unless requested as hereinafter provided, to determine whether the Company, the Secured Party, or any other party is complying with the terms of the Lease, the Indenture or any other document or instrument relating to the Equipment, and (iv) that certain of the statements and agreements made by the Board in the Indenture, the Lease and other documents or instruments delivered by the Board in connection with the issuance of the Series 1985-B Bonds have been made in reliance upon information provided and statements and representations made to the Board by the Company and other parties.

The Board shall not be required to take any action or to exercise any of its powers under the Indenture or the Lease unless it shall have received a written notice or request to do so from the Secured Party or other appropriate party stating the desirability or necessity for such action or such exercise of its powers (although it may take any such action or exercise any of such powers without any such request). The Board shall take such action or exercise such powers within a reasonable period of time after such written notice or request, provided that there shall first be furnished indemnity to the Board, satisfactory to it, covering its prospective liabilities and expenses (including all anticipated out-of-pocket expenses of the Board and the fees and disbursements of its Counsel), as well as reasonable

compensation for necessary services of the directors, officers, employees and agents of the Board. Nothing contained in this section shall affect or restrict any right, power or duty of the Secured Party to take any action or exercise any right, power or discretion under the Indenture or the Lease in accordance with the respective terms thereof.

**Section 13.4 Payments Due on Saturdays, Sundays and Holidays.** In any case where the payment date of any principal of or interest or premium (if any) on the Series 1985-B Bonds, or the redemption date of any of the Series 1985-B Bonds, shall be, at the locale of payment, a Saturday, Sunday or legal holiday or a day on which banking institutions are authorized or obligated by law to close, then payment of such principal, interest and premium need not be made on such date, but may be made on the next succeeding business day not a Saturday, Sunday or a legal holiday or a day upon which banking institutions are authorized or obligated by law to close, with the same force and effect as if made on such payment date or redemption date, and no interest shall accrue for the period after such payment date or redemption date, as the case may be.

**Section 13.5 Concerning Certain Payments.** As promptly as practicable after the receipt by the Secured Party of any payment of additional interest on the Series 1985-B Bonds made to it pursuant to the provisions of Section 5.5 of the Lease and of the second paragraph of Section 3.1 of the Indenture, it will pay to each Person who was a Holder of any Series 1985-B Bond at any time subsequent to the date of the Series 1985-B Event of Taxability an amount equal to the additional interest which accrued on such Series 1985-B Bond during any period subsequent to the date of the Series 1985-B Event of Taxability in which it was held by such Person.

Anything contained herein to the contrary notwithstanding, if the moneys provided to the Secured Party for the purpose of making the payments provided for in this Section 13.5 are not sufficient to enable the Secured Party to make all of such payments in full, then the Persons to whom such payments are owed shall be entitled to share the moneys provided to the Secured Party for the purpose of making such payments ratably and in proportion to the amounts respectively due to each of such Persons.

In making any determination, for the purpose of this section, as to the Person who was the Holder of any Series 1985-B Bond at any time subsequent to the date of the Series 1985-B Event of Taxability, the Secured Party shall be fully protected in relying upon an opinion of Independent Counsel acceptable to it, the information contained in the registration and transfer book and list of Bondholders maintained by the Secured Party, any confirmation of a transfer of any of the Series 1985-B Bonds prepared by a dealer or broker participating in such transfer and any other evidence with respect to the ownership of a Series 1985-B Bond which the Secured Party may deem to be persuasive.

**Section 13.6 Limitation of Rights.** Nothing herein or in the Series 1985-B Bonds shall confer any right on anyone other than the Board, the Secured

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Party, the Company and the Bondholders; provided, however, that anything herein or in the Lease to the contrary notwithstanding, the Company shall have no rights hereunder at any time during which a Lease Default shall have occurred and be continuing.

Section 13.7 Indenture Governed by Alabama Law. The Indenture shall in all respects be governed by and construed in accordance with the laws of the State of Alabama.

Section 13.8 Notices. All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered, or sent by registered mail, postage prepaid, to the following addresses:

(a) If to the Board:

The Industrial Development Board of  
Shelby County  
Shelby County Courthouse  
Columbiana, Alabama 35051  
Attention: Chairman of the Board of Directors

(b) If to the Company:

Wiley C. Sanders, Jr. d/b/a Southern Truck Leasing  
Post Office Box 707  
Henderson Road  
Troy, Alabama 36081

(c) If to the Guarantor:

Wiley C. Sanders, Jr.  
Post Office Box 707  
Henderson Road  
Troy, Alabama 36081

(d) If to the Secured Party:

AmSouth Bank N.A.  
Post Office Box 11007  
Birmingham, Alabama 35228  
Attention: Commercial Loan Department

Notices or other communications to Bondholders shall be mailed or otherwise delivered to their respective addresses as shown on the registry books of the Secured Party pertaining to the Series 1985-B Bonds.

Any of the above-mentioned parties may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. The

Secured Party and the Board will send a copy of each notice that either thereof gives to the other pursuant to the provisions hereof to the Company and the Guarantor so long as no Lease Default shall have occurred and be continuing; provided, however, that the failure of either the Board or the Secured Party to send a copy of any such notice to the Company or the Guarantor shall not invalidate such notice or render it ineffective unless notice to such party is otherwise expressly required herein. Any notice hereunder signed on behalf of the notifying party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee.

**Section 13.9 Severability.** In the event that any provision hereof 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 13.10 Article and Section Captions.** The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

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IN WITNESS WHEREOF, the Board and the Secured Party have caused this Indenture and Security Agreement to be executed in their respective corporate names, have caused their corporate seals to be hereunto affixed and have caused this Indenture and Security Agreement to be attested by their duly authorized officers, all in six (6) counterparts, each of which shall be deemed an original, and the Board and the Secured Party have caused this Indenture and Security Agreement to be dated as of December 1, 1985, although delivered by both said parties hereto on December 12, 1985.

THE INDUSTRIAL DEVELOPMENT BOARD OF  
SHELBY COUNTY

By

W. M. Rogers  
Chairman of its Board of Directors

ATTEST:

James D. Dean  
Its Secretary

[SEAL]

AMSOUTH BANK N.A.

By

W. T. Van Corder  
Its Vice President

ATTEST:

Paul L. Ash  
Its Assistant Vice President

[SEAL]

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STATE OF ALABAMA           )  
                                      :  
SHELBY COUNTY                )

I, the undersigned, 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 on the day the same bears date for and as the act of said public corporation.

GIVEN under my hand and official seal of office, this 12<sup>th</sup> day of December, 1985.

[ NOTARIAL SEAL ]

Doris S. Wellford  
Notary Public

My Commission Expires: 4-9-89

STATE OF ALABAMA           )  
                                      :  
JEFFERSON COUNTY            )

I, the undersigned, a Notary Public in and for said county in said state, hereby certify that DeVan Ard, Sr., whose name as Vice President of AMSOUTH BANK N.A., a national banking association, 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 on the day the same bears date for and as the act of said banking association.

GIVEN under my hand and official seal of office, this 12<sup>th</sup> day of December, 1985.

[ NOTARIAL SEAL ]

Doris S. Wellford  
Notary Public

My Commission Expires: 4-9-89

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**EXHIBIT A**  
**to**  
**INDENTURE AND SECURITY AGREEMENT**  
**between**  
**THE INDUSTRIAL DEVELOPMENT BOARD**  
**OF SHELBY COUNTY**  
**and**  
**AMSOUTH BANK, N.A.,**  
**dated as of December 1, 1985**

The Terminal Site referred to in the Lease Agreement of which this Exhibit A forms a part consists of the following described parcel of land located wholly within the unincorporated area of Shelby County, Alabama:

A tract of land situated in the SW 1/4 of the NE 1/4 of Section 4, Township 22 South, Range 2 West, Shelby County, Alabama, being more particularly described as follows: Commence at the Southeast corner of the SE 1/4 of the NE 1/4 of Section 4, Township 22 South, Range 2 West; thence North along the East line of said 1/4 1/4 section 143.75 feet; thence 88 deg. 25 min. 30 sec. left 618.37 feet to a railroad spike found; thence 0 deg. 54 min. 45 sec. left 31.01 feet to a point; thence 91 deg. 15 min. 25 sec. right 29.88 feet to an iron pin found; said iron pin lying on the north margin of a paved road and being the Southeast corner of "Alabama Plastics" property; thence 91 deg. 15 min. 25 sec. left along the South line of the "Alabama Plastics" property and the North margin of said paved road 417.55 feet to an iron pin found being the Southwest corner of "Alabama Plastics" property; thence continue along last mentioned course and the North margin of said paved road 150.00 feet to a point; thence 01 deg. 21 min. 08 sec. right, continue along the north margin of said paved road 310.74 feet to a point on the Eastern right of way of U. S. Highway 31; thence 53 deg. 17 min. 03 sec. right, along and with said right of way, 3.09 feet to an existing concrete monument; thence 21 deg. 49 min. 31 sec. right, along and with said right of way 555.70 feet to the Point of Beginning; thence continue along the last mentioned course and the Eastern right of way of U. S. Highway 31, 329.20 feet to a point; thence 104 deg. 53 min. 26 sec. right 384.60 feet to a point; thence 90 deg. 00 min. 00 sec. right 318.14 feet to a point; thence 90 deg. 00 min. 00 sec. right 300.00 feet to the Point of Beginning, forming a closing interior angle of 104 deg. 53 min. 26 sec. and being situated in Shelby County, Alabama.

EXHIBIT B  
to  
INDENTURE AND SECURITY AGREEMENT  
between  
THE INDUSTRIAL DEVELOPMENT BOARD OF  
SHELBY COUNTY  
and  
AMSOUTH BANK N.A.  
dated as of December 1, 1985

The Equipment referred to in the Indenture and Security Agreement of which this Exhibit B forms a part consists initially of the following items:

<u>No. of Items</u>	<u>Item</u>
35	1986 Great Dane Trailers

EXHIBIT C  
to  
INDENTURE AND SECURITY AGREEMENT  
between  
THE INDUSTRIAL DEVELOPMENT BOARD OF  
SHELBY COUNTY  
and  
AMSOUTH BANK N.A.  
dated as of December 1, 1985

The Series 1985-A Equipment referred to in the Indenture and Security Agreement of which this Exhibit C forms a part consists initially of the following items:

<u>No. of Items</u>	<u>Item</u>
10	1986 Kenworth Tractors
5	1986 General Motors Corporation Autocars
10	1986 Fruehauf Tanker Trailers
5	1986 Utility Trailer Dumps

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

1985 DEC 17 AM 9:30

*Thomas A. Henderson, Jr.*  
JUDGE OF PROBATE

Rec. 170<sup>00</sup>  
Ind. 1<sup>00</sup>  
171<sup>00</sup>

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