
AGREEMENT OF SALE

between

**THE EDUCATIONAL BUILDING AUTHORITY
OF THE TOWN OF INDIAN SPRINGS VILLAGE**

and

INDIAN SPRINGS SCHOOL

dated as of August 1, 1992

Relating to

\$3,500,000

**THE EDUCATIONAL BUILDING AUTHORITY
OF THE TOWN OF INDIAN SPRINGS VILLAGE**

**School Revenue Bonds
(Indian Springs School Project)
Series 1992**

Inst # 1992-29846

**12/14/1992-29846
08:59 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
048 KJS 124.00**

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AGREEMENT OF SALE between **THE EDUCATIONAL BUILDING AUTHORITY OF THE TOWN OF INDIAN SPRINGS VILLAGE**, a public corporation organized and existing under the laws of the State of Alabama, party of the first part (herein called the "Authority"), and **INDIAN SPRINGS SCHOOL**, a nonprofit corporation organized and existing under the laws of the State of Alabama, party of the second part (herein called the "Corporation");

RECITALS

Pursuant to this Agreement of Sale the Authority is undertaking to acquire and construct the "Improvements" hereinafter defined and the Corporation is undertaking to purchase said Improvements from the Authority. In order to finance the costs of acquiring and constructing said Improvements, the Authority will issue up to \$3,500,000 principal amount of its School Revenue Bonds (Indian Springs School Project), Series 1992 (herein called the "Series 1992 Bonds"), under a Trust Indenture dated as of August 1, 1992 (herein called the "Indenture"), between the Authority and First Alabama Bank, as Trustee (herein called the "Trustee").

NOW, THEREFORE, THIS AGREEMENT OF SALE

WITNESSETH:

That in consideration of the premises and the respective representations, warranties and agreements herein contained, the parties hereto agree as follows:

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:

"Act" means the statutes codified as Code of Alabama 1975, Title 16, Chapter 17, as amended and supplemented and at the time in force and effect.

"Additional Bonds" means bonds of the Authority authorized in Article VIII of the Indenture to be issued thereunder and secured thereby on a parity with the Series 1992 Bonds.

"Agreement of Sale" or "this Agreement of Sale" means this Agreement of Sale as it now exists and as it may from time to time be amended or supplemented in accordance with the provisions of Article XIV of the Indenture.

"Applicable Percentage" means that percentage determined in accordance with the provisions of the Indenture which, when applied to the Base Rate, produces the applicable per annum rate of interest borne by the Series 1992 Bonds for so long as no Series 1992 Determination of Taxability shall have occurred.

"Authority" means the party of the first part hereto and, subject to the provisions of Section 11.4 of the Indenture, 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.

"Bank" means First Alabama Bank, Birmingham, Alabama, the original purchaser of the Series 1992 Bonds from the Authority, for so long as it shall be the Holder of any of the Series 1992 Bonds.

"Base Rate" means that rate of interest announced by First Alabama Bancshares, Inc. as the "Commercial Base Rate" (such rate being an index for establishing variable interest rates on loans of affiliates of First Alabama Bancshares, Inc.), or, if no such rate is then announced, such other comparable rate which serves as the basis upon which effective rates of interest are calculated for those making reference thereto, it being understood that loans are made at rates above, below or equal to the Commercial Base Rate, and that the Commercial Base Rate may change at any time.

"Basic Payments" means (i) the moneys payable by the Corporation pursuant to the provisions of Section 5.2 of the Agreement of Sale, (ii) any other moneys payable by the Corporation pursuant to the Agreement of Sale to provide for the payment of the principal of and the interest and premium (if any) on the Bonds, and (iii) any other moneys payable by the Corporation pursuant to the Agreement of Sale that are therein referred to as Basic Payments.

"Bond Fund" means the Indian Springs School Bond Principal and Interest Fund created in Section 10.1 of the Indenture.

"Bond Payment Date" means the first day of each calendar month, beginning October 1, 1992 (or, with respect to any series of Additional Bonds, such other date or dates as may be specified in the Supplemental Indenture providing for the issuance of such Additional Bonds) on which any principal or interest with respect to the Bonds shall mature and be due and payable or on which any principal amount of the Bonds shall be required by the Indenture to be redeemed prior to the stated maturity thereof.

"Bondholder" means the Holder of any Bond.

"Bond Preference Tax" means any tax or penalty hereafter imposed on the owners of Tax-Exempt Obligations under the laws of federal income taxation or Alabama law, including, without limitation, any preference tax, excess profits tax, minimum tax, tax resulting from the disallowance of a deduction or other tax measured in whole or in part by 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.

"Bonds" means all bonds of the Authority issued under the Indenture.

"Code" means the Internal Revenue Code of 1986, as amended and at the time in force and effect.

"Construction Fund" means the Indian Springs School Construction Fund created in Section 9.2 of the Indenture.

"Corporation" means the party of the second part hereto and, subject to the provisions of Section 6.3 hereof, includes its successors and assigns and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Counsel" means any attorney duly admitted to practice before the highest court of any state of the United States of America or the District of Columbia (including any officer or full-time employee of the Authority, the Corporation or an Affiliate of either thereof who is so admitted to practice), it being understood that "Counsel" may also mean a firm of attorneys all of whose members are so admitted to practice.

"Event of Default" means an "Event of Default" as specified in Section 8.1 hereof.

"fully paid", "payment in full", or any similar expression with respect to the Indenture Indebtedness, means that the entire Indenture Indebtedness has been paid in full or duly provided for pursuant to Section 15.1 of the Indenture and that the Indenture has been cancelled, satisfied and discharged in accordance with the provisions of said Section 15.1 thereof.

"Holder", when used in conjunction with a Bond, means the Person in whose name such Bond is registered on the registry books of the Trustee pertaining to the Bonds.

"Improvements" means the buildings, structures and other improvements to be acquired and constructed by the Authority on the Site pursuant to the Agreement of Sale.

"Indenture" means that certain Trust Indenture between the Authority and First Alabama Bank, dated as of August 1, 1992, under which (i) the Series 1992 Bonds are authorized to be issued, and (ii) the Authority's interest in and to the Agreement of Sale is to be assigned as security for payment of the principal of and the interest and premium (if any) on the Series 1992 Bonds, as said Trust Indenture now exists and as it may hereafter be supplemented and amended.

"Indenture Indebtedness" means all indebtedness of the Authority at the time secured by the Indenture, including, without limitation, (i) all principal of and interest and premium (if any) on the Bonds and (ii) all reasonable and proper fees, charges and disbursements of the Trustee for services performed under the Indenture.

"Municipality" means the Town of Indian Springs Village, Alabama, or any municipal corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"outstanding", when used with reference to any of the Bonds, means, at any date as of which the amount of such Bonds outstanding is to be determined, all such Bonds which have been theretofore authenticated and delivered by the Trustee under the Indenture, except (i) those of such Bonds purchased for retirement which have been delivered to and cancelled by the Trustee, (ii) those of such Bonds cancelled by the Trustee because of payment at or after their respective maturities or redemption prior to their respective maturities, (iii) those of such Bonds for the payment or redemption of which provisions shall have been made with the Trustee as provided in Section 15.1 of the Indenture, and (iv) those of such Bonds in exchange for which, or in lieu of which, other Bonds have been authenticated and delivered under the Indenture.

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

"Project" means the Site and the Improvements, as the same may at any time exist.

"Project Costs" means the following: (i) all costs and expenses incurred in connection with the planning, development and design of the Improvements, including the costs of preliminary investigations, surveys, estimates and plans and specifications; (ii) all costs of preparing and landscaping the Site; (iii) all costs and expenses of constructing the Improvements, including the cost to the Corporation of supervising construction, payments to contractors and materialmen and fees for professional or other specialized services; (iv) all costs and expenses of acquiring and installing personal property and fixtures in or around the Improvements; (v) all expenses incurred in connection with the issuance and sale of the Series 1992 Bonds, including, without limitation, all legal, accounting, financial, underwriting, printing, recording and filing fees and expenses, and the initial charge of the Trustee; (vi) all other costs and expenses in connection with the acquisition and construction of the Improvements, (vii) interest on the Series 1992 Bonds to the extent that the cumulative amount thereof paid out of the proceeds of the Series 1992 Bonds, together with the accrued interest received by the Authority upon the sale of the Series 1992 Bonds, does not exceed the total interest that will accrue on the Series 1992 Bonds from their date until the completion of the Improvements; and (viii) the reimbursement to the Corporation of all amounts paid directly by the Corporation in respect of any of the aforesaid costs and expenses and of all amounts advanced or loaned by the Corporation to the Authority for the payment of such costs and expenses.

"Project Work" means acquisition and construction of the Improvements, the improvement of the Site and the equipping and furnishing of the Improvements, all in accordance with the provisions hereof.

"Qualifying Project Costs" means Projects Costs except (i) costs and expenses for portions of the Project to be used for activities constituting unrelated trades or businesses determined by applying Section 513(a) of the Code and (ii) Series 1992 Issuance Expenses.

"Series 1992 Bonds" means those of the Bonds bearing the designation School Revenue Bonds (Indian Springs School Project), Series 1992, authorized to be issued under the Indenture in an aggregate principal amount of up to \$3,500,000.

"Series 1992 Determination of Taxability" means a determination, made in accordance with the provisions of Section 5.6 hereof, that the interest income on any of the Series 1992 Bonds is includable in gross income of the Holders thereof for purposes of federal income taxation because of the occurrence of a Series 1992 Event of Taxability.

"Series 1992 Event of Taxability" means the date on which the interest income on any of the Series 1992 Bonds becomes includable in gross income of the Holders thereof for purposes of federal income taxation as a result of any of the conditions or circumstances set forth in Section 5.6 hereof.

"Series 1992 Investment Proceeds" means the net income derived from the investment and reinvestment of proceeds of the Series 1992 Bonds (including income derived from the investment and reinvestment of previously derived income), it being understood that such net income shall consist of the aggregate interest received from investments plus any profit actually realized from the purchase of investments at a discount, less any accrued interest and any premium paid as a part of the purchase price of any investments. As used herein the term "Series 1992 Investment Proceeds" includes the net income derived from the investment of moneys in the Construction Fund.

"Series 1992 Issuance Expenses" means the expenses of issuing the Series 1992 Bonds to the extent, and only to the extent, that, in determining the amounts of the "proceeds" of the Series 1992 Bonds for purposes of the test provided by Section 147(g) of the Code, such expenses are properly deductible from the aggregate amount (excluding accrued interest) received by the Board from the sale of the Series 1992 Bonds.

"Series 1992 Pledge Agreement" means that certain Pledge Agreement dated as of August 1, 1992, between the Corporation and the Trustee, as said Pledge Agreement may at any time exist.

"Series 1992 Principal Proceeds" means the aggregate amount (excluding accrued interest, if any) received by the Board from the sale of the Series 1992 Bonds, less the Series 1992 Issuance Expenses.

"Series 1992 Prior Taxability Period" means the period, ending not later than the date of the Series 1992 Determination of Taxability, during which interest on the Series 1992 Bonds is includable in gross income of the Holders thereof for purposes of federal income taxation as a result of any of the conditions or circumstances set forth in Section 5.6 hereof which result in the occurrence of a Series 1992 Event of Taxability, as more particularly specified in Section 5.7 hereof.

"Site" means those parcels of land described on Exhibit A attached hereto and made a part hereof.

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

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

"Woodward Trust" means the trust created under the Last Will and Testament of Harvey G. Woodward, deceased, as said trust may at any time exist.

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

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

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

(a) **Organization.** The Authority is a public corporation duly organized and validly existing under the provisions of the Act, as now existing, by reason of its Certificate of Incorporation duly filed for record in the office of the Judge of Probate of Shelby County, Alabama. The said Certificate of Incorporation has not been amended or revoked and is in full force and effect.

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

(c) **Sale and Other Transactions are Legal and Authorized.** The sale and issuance of the Series 1992 Bonds, the execution and delivery of this Agreement of Sale and the Indenture, and the compliance with all the

provisions of each thereof and of the Series 1992 Bonds by the Authority (i) are within the power and authority of the Authority, (ii) will not conflict with or result in a breach of any of the provisions of, or constitute a default under, or result in or require the creation of any lien or encumbrance (other than Permitted Encumbrances) upon any property of the Authority under, the Act, the certificate of incorporation or the bylaws of the Authority, any agreement or other instrument to which the Authority is a party or by which it may be bound, or any license, judgment, decree, order, law, statute, ordinance or governmental regulation applicable to the Authority, and (iii) have been duly authorized by all necessary corporate action on the part of the Authority.

(d) Consents and Approvals. All consents, approvals, authorizations and orders of governmental or regulatory authorities, if any, which are required for the execution and delivery of the Series 1992 Bonds, this Agreement of Sale and the Indenture and for the consummation of the transactions contemplated by each of the aforesaid documents have been obtained by or on behalf of the Authority and are in full force and effect. The issuance of the Series 1992 Bonds has been approved by the Municipality, said approval having been made by the applicable elected representative of the Municipality after public hearing following reasonably public notice, all in accordance with the provisions of Section 147(f) of the Code.

(e) No Default. No event has occurred and no condition exists which would constitute an "Event of Default" under the Indenture, as "Event of Default" is therein defined, or which would become such an "Event of Default" with the passage of time or the giving of notice or both. The Authority is not in default under the Act, its Certificate of Incorporation, its bylaws, or any agreement or instrument to which it is a party or by which it is bound, or any judgment, order, rule or regulation of any court or other governmental body applicable to it, to the extent in any such case that the default in question would adversely affect the existence of the Authority, its corporate power to carry out the transactions contemplated by this Agreement of Sale or the validity of any of the Series 1992 Bonds or the security therefor.

(f) The Series 1992 Bonds. The Series 1992 Bonds, when issued and paid for in accordance with the provisions of this Agreement of Sale and the Indenture and when duly authenticated by the Trustee, will constitute legal, valid and binding special obligations of the Authority payable solely from the sources provided in the Indenture.

(g) Nature and Location of the Improvements. The Improvements will constitute "ancillary improvements" within the meaning of the Act, as now existing. The Site is located wholly within the now existing corporate limits of the Municipality.

(h) Interest in the Site. Pursuant to a quitclaim deed from the Woodward Trust, the Authority has heretofore acquired a fee simple interest in the Site.

(i) Fulfillment of Purposes of Act. The Authority has determined that the issuance of the Series 1992 Bonds, the acquisition and construction of the Improvements and the sale of the Project to the Corporation will fulfill the purposes of the Act.

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

(a) Organization and Qualification of the Corporation. The Corporation is a nonprofit corporation duly organized and validly existing under the laws of the State of Alabama. The Corporation has the corporate power and authority to own its properties and assets and to carry on its business as now being conducted. The Corporation has all requisite corporate power to enter into this Agreement of Sale and to consummate the transactions contemplated hereby.

(b) Nature of the Corporation. The Corporation (i) is an organization described in Section 501(c)(3) of the Code, (ii) has received a ruling from the Internal Revenue Service to that effect, which ruling has not been modified, limited or revoked, (iii) is in compliance with all the terms, conditions and limitations (if any) contained in such ruling, it being specifically represented by the Corporation hereby that the facts and circumstances which form the basis of such ruling (as represented to the Internal Revenue Service) continue to exist, and (iv) is therefore exempt from Federal income taxes under Section 501(a) of the Code. None of the operations or activities of the Corporation involving or making use of any portion of the Project constitutes or will constitute an "unrelated trade or business" of the corporation determined by applying the provisions of Section 513(a) of the Code.

(c) Authorization and Validity of this Agreement of Sale. The Corporation has, by all necessary corporate action, duly authorized the execution, delivery and performance of this Agreement of Sale, and when duly executed and delivered by the Authority, this Agreement of Sale will constitute a legal, valid and binding obligation of the Corporation.

(d) Conflicting Agreements and Charter Provisions. Neither the execution and delivery of this Agreement of Sale, nor the sale and issuance of any of the Series 1992 Bonds, nor the consummation of the transactions herein contemplated, nor the fulfillment of or compliance with the terms and provisions hereof conflicts with, or results in a breach of, or constitutes a default under, or results in or requires the creation of any lien in respect of any properties or assets of the Corporation pursuant to, or requires any authorization, consent, approval, exemption or other action by, or any notice to, any Person (other than those already obtained, taken or made and which continue in full force and effect) pursuant to the terms, conditions or provisions of any applicable law, rule, regulation, corporate charter, bylaw, agreement,

instrument, judgment or order by which the Corporation is bound or to which the Corporation and any of its properties are subject.

(e) Governmental Consents. Neither the nature of the Corporation, its business or property, nor any relationship between the Corporation and any other Person nor any circumstance in connection with the offering, sale, issuance or delivery of any of the Series 1992 Bonds is such as to require any consent, approval, permit, exemption, action, order or authorization of, or filing, registration or qualification with, or with respect to, any court, regulatory agency or other governmental body in connection with the execution and delivery of this Agreement of Sale or the sale and issuance of any of the Series 1992 Bonds other than those already obtained, taken or made and which continue in full force and effect.

(f) Nature and Location of the Improvements. The Improvements will constitute "ancillary improvements" within the meaning of the Act, as now existing. The Site is located wholly within the now existing corporate limits of the Municipality.

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

(h) No Defaults. No event has occurred and no condition exists which, upon the issuance of any of the Series 1992 Bonds, would constitute an Event of Default or which would become such an Event of Default with the passage of time or with the giving of notice or both. To the best of the knowledge of the Corporation, no event has occurred and no condition exists which would constitute an "Event of Default" under the Indenture, as "Event of Default" is therein defined, or which would become such an "Event of Default" with the passage of time or with the giving of notice or both. The Corporation is not in default in any respect under any charter instrument or bylaw or, to the best of the knowledge of the Corporation, any agreement or other instrument to which it is a party or by which it is bound, or any judgment, order, rule or regulation of any court or other governmental body applicable to it, to the extent in any such case that the default in question would materially and adversely affect the transactions contemplated by this Agreement of Sale or would impair the ability of the Corporation to comply with its obligations hereunder. The Corporation is not in default under the payment of the principal of or the interest on any of its indebtedness and is not in default under any instrument or agreement under and subject to which any indebtedness of the Corporation has been incurred, and no event has occurred

or is continuing under the provisions of any such instrument or agreement which constitutes or will constitute an event of default thereunder.

(i) Full Disclosure. Neither any information furnished by the Corporation to the original purchasers of the Series 1992 Bonds in connection with the sale and issuance of the Series 1992 Bonds and the other transactions contemplated by this Agreement of Sale, nor the representations and warranties made by the Corporation in this Agreement of Sale or in any document in writing furnished by the Corporation in connection with the transactions contemplated hereby, contain (except to the extent, as to any such representation or warranty not made in this Agreement of Sale or in a document required to be furnished pursuant to this Agreement of Sale, corrected in any other written communication subsequently furnished by the Corporation prior to the execution and delivery of this Agreement of Sale) any untrue statement of a material fact or omit a material fact necessary to make the statements contained therein or herein, in light of the circumstances in which they were made, not misleading at the times they were made. There is no fact known to the Corporation or which in the exercise of reasonable diligence should have been known to the Corporation which the Corporation has not disclosed in writing prior to the execution and delivery of this Agreement of Sale which materially adversely affects or, so far as the Corporation can now in the exercise of its reasonable business judgment foresee, the condition (financial or otherwise) of the Corporation or the ability of the Corporation to perform its obligations hereunder or under any agreement contemplated hereby.

(j) Relationships of Qualifying Projects Costs to Series 1992 Bond Proceeds. Based upon reasonable estimates as of the date of delivery of this Agreement of Sale, those costs of acquiring, improving and installing the Project that constitute Qualifying Project Costs are expected to amount, in the aggregate, to not less than ninety-five percent (95%) of the Series 1992 Principal Proceeds and anticipated Series 1992 Investment Proceeds.

(k) Tax-Exempt Status of the Series 1992 Bonds. The Corporation intends for the Series 1992 Bonds to be issued in compliance with the conditions necessary for the interest thereon to be excluded from gross income of the Holders thereof for purposes of federal income taxation under Section 145 of the Code, and the Corporation understands that said exclusion constitutes a principal inducement to the purchase of the Series 1992 Bonds by the Bank from the Authority and will constitute a principal inducement to the purchase of any of the Series 1992 Bonds by any subsequent purchaser thereof.

(l) Average Maturity of the Series 1992 Bonds. The "average maturity" of the Series 1992 Bonds does not exceed 120% of the average reasonably expected economic life of the facilities being financed with the proceeds of the Series 1992 Bonds, all within the meaning of Section 147(b) of the Code and the applicable regulations thereunder.

(m) Limitation Upon Use of Proceeds to Pay Costs of Issuance. Not more than two percent (2%) of the principal amount of the Series 1992 Bonds will be used, directly or indirectly, to pay costs of issuance thereof within the meaning of Section 147(g) of the Code.

(n) Series 1992 Bonds Not Federally Guaranteed. The payment of the principal or interest with respect to the Series 1992 Bonds will not be guaranteed, in whole or in part, by the United States of America or any agency or instrumentality thereof; nor will the Series 1992 Bonds be issued as part of an issue a significant portion of the proceeds of which are to be (i) used in making loans the payment of principal and interest with respect to which are to be guaranteed, in whole or in part by the United States of America or any agency or instrumentality thereof, or (ii) invested, directly or indirectly, in federally insured deposits or accounts [except as provided by Section 149(b) of the Code]; nor will the payment of the principal or interest with respect to the Series 1992 Bonds be otherwise indirectly guaranteed, in whole or in part, by the United States of America or any agency or instrumentality thereof.

(o) \$150,000,000 Limit. The issuance of the Series 1992 Bonds will not result in the Corporation being an owner or principal user of a facility financed with tax-exempt non-hospital bonds if the sum of the portion of the outstanding principal amount of the Series 1992 Bonds, plus the aggregate principal amount of such tax-exempt non-hospital bonds, exceeds \$150,000,000, all within the meaning of Section 145(b) of the Code and the applicable regulations thereunder.

(p) Ownership of Project. All property which is to be provided by the net proceeds of the Series 1992 Bonds will be owned by a 501(c)(3) organization.

(q) Declaration of Official Intent. During the period from March 2, 1992, until and including May 11, 1992, the Corporation made no expenditures to pay Project Costs for which an allocation of proceeds (as defined in U. S. Treasury Regulation §1.148-8(d)(2) and referred to in this paragraph (q) as "proceeds") of the Series 1992 Bonds to reimburse the Corporation will be treated as an expenditure thereof. With respect to expenditures made by the Corporation prior to March 2, 1992, to pay Project Costs for which an allocation of proceeds of the Series 1992 Bonds to reimburse the Corporation will be treated as an expenditure thereof, the following conditions apply:

(i) such expenditures were made by the Corporation after September 8, 1989;

(ii) based upon proceedings of, and actions taken by, the governing body of the Corporation and the administration of the school in Shelby County, Alabama, known as "Indian Springs School" and operated by a Board of Governors under a testamentary trust established pursuant to the Last Will and Testament of Harvey G. Woodward, deceased (for the aid and development of which school

the Corporation was established), there is objective evidence that, at the time such expenditures were paid, the Corporation expected to reimburse such expenditures with the proceeds of a borrowing; and

(iii) the Improvements for which such expenditures were paid were not placed in service more than one year prior to the date on which the Series 1992 Bonds were issued and the Corporation made the allocation of such proceeds for the reimbursement of such expenditures.

With respect to expenditures made by the Corporation after May 11, 1992, to pay Project Costs for which an allocation of proceeds of the Series 1992 Bonds to reimburse the Corporation will be treated as an expenditure thereof, the Board of Directors of the Corporation adopted on May 11, 1992, a declaration of its official intent, in accordance with the provisions of United States Treasury Regulation §1.103-18, to reimburse itself out of the proceeds of the Series 1992 Bonds for such expenditures.

ARTICLE III

ACQUISITION OF SITE

Section 3.1 Concerning the Acquisition of the Site. In order to give the Authority a requisite property interest in the Site pursuant to the provisions of the Act, the Woodward Trust, in consideration of the benefits to said Trust to be derived from the financing evidenced by the Series 1992 Bonds, has conveyed the Site and all existing improvements thereon to the Authority pursuant to a quitclaim deed. It is agreed and understood that, simultaneously with the delivery of this Agreement of Sale, the Authority will likewise convey title to the Site and existing improvements thereon by quitclaim deed to the Corporation, which, in turn, will immediately convey title to the Site and existing improvements thereon by quitclaim deed to the Woodward Trust. It is further understood by the parties hereto that no interest of the Authority or the Corporation in the Site and the improvements thereon will be assigned to the Trustee under the Indenture and that no mortgage, security interest or other security device will be undertaken with respect to the Site and the improvements thereon as security for the payment of the principal of or the interest on the Series 1992 Bonds. Following such conveyances all improvements at any time located on the Site, including the Improvements, shall be the sole and exclusive property of the Woodward Trust.

ARTICLE IV

CONCERNING THE PROJECT WORK; ISSUANCE OF THE SERIES 1992 BONDS

Section 4.1 Performance of the Project Work. The Authority and the Corporation will undertake and complete the acquisition and construction on the Site of such buildings, structures, facilities and improvements as shall be directed by the Corporation, including the improvement of the Site and the equipping and furnishing of such improvements. The Project Work shall be completed on such schedule as the Corporation shall determine; provided however, that no liability on the part of the Authority nor any reduction in or postponement of any payments required to be made by the Corporation hereunder shall result from any delay in the completion of any of the Project Work or from the failure of such work to be completed in accordance with the plans, specifications and directions furnished by the Corporation or its agents.

The Authority acknowledges that the Improvements as completed must satisfy the requirements of the Corporation, and it is therefore agreed and understood that the Corporation may cause such changes to be made in the design of the Improvements or in the design of any other improvements to be constructed on the Site as the Corporation, in the exercise of its sole judgment, may deem necessary or desirable; provided however, that the Improvements, as finally completed in accordance with the requirements of the Corporation, shall qualify as "ancillary improvements" within the meaning of the Act.

The Authority will execute and deliver, or cause to be executed and delivered, all contracts, orders, requisitions, instructions and other written instruments and do, or cause to be done, all other acts that may be necessary or proper to carry out the Project Work and to perform fully its obligations under this section. In no event, however, will the Authority enter into any contract with respect to the Project Work or any part thereof unless there is endorsed thereon a legend indicating that the Corporation has approved both the form and substance of such contract and such legend is signed by an authorized representative of the Corporation.

Section 4.2 Agreement to Issue the Series 1992 Bonds. In order to finance the Project Costs, the Authority will, simultaneously with the delivery hereof, sell and issue the Series 1992 Bonds and will execute and deliver the Indenture. All the terms and conditions of the Indenture (including, without limitation, those relating to the use of the proceeds of the Series 1992 Bonds, the disbursement of moneys from the Construction Fund, and the amount, maturity, interest rate and redemption provisions of the Series 1992 Bonds) are hereby approved by the Corporation, and to the extent that any provision of the Indenture is relevant to the calculation of any amount which the Corporation is hereunder obligated to pay or to the determination of any other obligation of the Corporation hereunder, the Corporation agrees that such provision of the Indenture shall be deemed a part hereof as fully and completely as if set out herein.

Section 4.3 Disbursements of Moneys from Construction Fund. Subject to the conditions of Section 4.4 hereof, the Authority will pay, or cause to be paid, all Project Costs, but such costs shall be paid solely out of the principal proceeds from the sale of the Series 1992 Bonds, income earned from the investment of such proceeds and any other moneys which the Corporation may cause to be deposited in the Construction Fund. The Corporation, as agent for the Authority, will cause such requisitions to be prepared and submitted to the Trustee as shall be necessary to enable the Trustee to pay, out of moneys held in the Construction Fund in accordance with the provisions of Section 9.2 of the Indenture, all the Project Costs.

Upon request of the Corporation, the Authority will cause the Trustee to reimburse the Corporation out of the proceeds of the Series 1992 Bonds deposited in the Construction Fund for all costs and expenses that the Corporation may have heretofore paid or incurred in connection with the Project Work. The Corporation hereby acknowledges and agrees that the failure by the Authority to reimburse the Corporation, or to cause the Corporation to be reimbursed, in full for all such costs and expenses (whether such failure results from insufficient moneys being available in the Construction Fund for such purpose or a decision by the Corporation not to request such reimbursement) shall not result in any reduction or abatement of any payments due from the Corporation hereunder.

Section 4.4 No Warranty of Suitability by the Authority. Corporation Required to Make Arrangements for Payment of Project Costs. The Corporation recognizes that the Project Work has been or is to be planned and carried out under its control and in accordance with its requirements, and the Authority, therefore, makes no warranties, either express or implied, nor offers any assurances that the Improvements upon the completion thereof will be suitable for the Corporation's purposes or needs or will perform in accordance with their designed capacity, reliability or other expected characteristics. Further, the Authority understands that the proceeds derived from the sale of the Series 1992 Bonds, together with the income (if any) earned from the investment of such proceeds, may not be sufficient to pay in full all the Project Costs. In the event such proceeds and investment income are insufficient to pay all the Project Costs for which the Authority shall be liable hereunder, the Corporation

(a) will cause such changes to be made in the plans for the Project Work as will result in the aggregate Project Costs not exceeding such proceeds and investment income, or

(b) will itself complete the Project Work as originally planned and will pay that portion of the Project Costs in excess of such proceeds and investment income, or

(c) will pay into the Construction Fund such moneys as are necessary for the payment of all Project Costs, in which case the Authority will complete the Improvements as is required to be completed pursuant to the provisions hereof, or

(d) will cause the Authority to sell and issue Additional Bonds, in accordance with the provisions of the Indenture, in whatever principal amount is necessary to provide for payment of all Project Costs, in which case the Authority will complete the Improvements as is required to be completed pursuant to the provisions hereof, or

(e) will take action pursuant to any two or more of the courses of action described in the preceding clauses (a), (b), (c) and (d),

all to the end that all obligations incurred by the Authority in the performance of its undertakings hereunder shall be paid in full and that the Project Work shall be completed to the extent necessary for the Improvements to constitute "ancillary improvements" within the meaning of the Act. The Corporation shall not, by reason of (i) its direct payment of any Project Costs, (ii) its payment of any moneys into the Construction Fund for the payment of any such costs, or (iii) any other arrangements made by it for the payment of such costs, be entitled to any reimbursement from the Authority (except out of the proceeds from the sale of any Bonds that may hereafter be issued by the Authority in order to fund the payment of such excess costs) or to any reduction or abatement of any payments due from the Corporation hereunder.

Section 4.5 Authority to Pursue Rights Against Suppliers and Contractors, etc. In the event of any default by any supplier, contractor or subcontractor under any contract with the Authority relating to the Project Work, or in the event of any breach of any such contract by any such supplier, contractor or subcontractor, the Authority will, upon written request made to it by the Corporation and at the Corporation's sole cost and expense, proceed, either separately or in conjunction with others, to exhaust all remedies the Authority may have against such defaulting or breaching supplier, contractor or subcontractor and against each surety (if any) for the performance of such contract. Further, in the event the Authority proceeds in an arbitration proceeding or by an action at law or in equity against any such supplier, contractor, subcontractor or surety pursuant to the provisions of this section or in the event any such supplier, contractor, subcontractor or surety brings any such proceeding or action against the Authority in connection with or relating to the Improvements, the Authority will follow all reasonable directions given to it by the Corporation in connection with such proceeding or action, and the Corporation shall have full and complete control thereof, including, without limitation, the right to select Counsel for the Authority. The net amount recovered by the Authority in any such proceeding or action shall be paid to the Corporation.

The Authority hereby transfers and assigns to the Corporation all the Authority's rights and interests in, to and under any maintenance or surety bonds or warranties respecting quality, durability or workmanship obtained by or vested in the Authority in connection with the Project Work, and the Authority grants to the Corporation the right to take action, in the name of either the Authority or the Corporation, but at the Corporation's sole cost and expense, for the enforcement of such bonds and warranties. The net amount recovered in any such action shall be paid to the Corporation.

ARTICLE V

SALE OF THE PROJECT TO THE CORPORATION; PROVISIONS FOR PAYMENT

Section 5.1 Sale of the Project. In consideration of the agreement by the Corporation to make the payments provided for herein, the Authority hereby agrees to sell and convey to the Corporation, and the Corporation hereby agrees to purchase from the Authority the Site and all improvements located thereon, including without limitation, the Improvements.

As provided in Section 4.1 hereof, the Authority will effectuate its agreement to sell and convey the Project and any other property hereby sold to the Corporation by executing and delivering to the Corporation a quitclaim deed, bill of sale and assignment conveying the Project and such other property or such portion thereof as may then be in existence, and by assigning to the Corporation any rights and interests, whether contingent or vested, that the Authority may have resulting from its ownership of the Project immediately following the delivery of this Agreement of Sale. The conveyance of the Project and any other property sold hereby to the Corporation shall be subject to such other encumbrances, liens, exceptions or other defects to which title to the Project or such other property is subject at present or will be subject at the time at which the Authority acquires such title, if acquired hereafter, those to the creation or suffering of which the Corporation consented and those resulting from the failure of the Corporation to observe and perform any of the agreements or covenants on its part contained herein.

Section 5.2 Basic Payments. The Corporation will, not later than 10:00 o'clock, A.M., on each Bond Payment Date, beginning with October 1, 1992, and continuing until and including September 1, 2007, pay to the Trustee at its principal corporate trust office in Birmingham, Alabama, for the account of the Authority, Basic Payments. Each such Basic Payment shall be paid in immediately available funds and shall be in an amount equal to the sum of

(a) the interest maturing with respect to the then outstanding Series 1992 Bonds on the Bond Payment Date on which each such Basic Payment becomes due and payable, plus

(b) the principal (if any) maturing, or required by the terms of the Indenture to be redeemed, with respect to the then outstanding Series 1992 Bonds on said Bond Payment Date.

Any Basic Payment due hereunder that is not paid on or before the Bond Payment Date next succeeding the original due date thereof shall bear interest from such Bond Payment Date until paid at the per annum rate then applicable to the Series 1992 Bonds.

Anything to the contrary contained in the Agreement of Sale notwithstanding, there shall be credited against any Basic Payment due hereunder (including components of principal

and interest) any amount then held in the Bond Fund to the extent that such amount has not theretofore been credited on a previously due Basic Payment; provided however, that moneys in the Bond Fund shall not be credited against any such payment if such moneys (i) are held therein for payment of matured but unpaid Bonds, Bonds called for redemption but not yet redeemed and matured but unpaid interest on the Bonds, (ii) are held therein for the future redemption or purchase of Bonds in accordance with the provisions of the Indenture, or (iii) are held therein for the payment of unmatured Bonds if such Bonds are considered fully paid pursuant to the provisions of Section 15.1 of the Indenture by reason of the fact that such moneys are so held in the Bond Fund.

Anything to the contrary contained in the Agreement of Sale notwithstanding, if for any reason, after the payment by the Corporation of such Basic Payment as are required to be paid by it pursuant to any provisions of the Agreement of Sale, the moneys then held by and available to the Trustee for payment or redemption of the principal of and the interest and premium (if any) on the Bonds are not sufficient to pay, on the due or required redemption date thereof, the principal maturing or required to be redeemed with respect to the Bonds plus the interest and premium (if any) due with respect to the Bonds, the Corporation will promptly pay to the Trustee (for the account of the Authority) such additional Basic Payments as, when added to the aforesaid moneys held by and available to the Trustee, will equal an amount sufficient to pay such principal, interest and premium (if any).

So long as any of the Bonds are outstanding, all Basic Payments (including all mandatory or optional prepayments thereof) shall be made directly to the Trustee for the account of the Authority. Nothing herein contained shall be construed as imposing on the Authority or on the Trustee any duty or responsibility of giving any notice to the Corporation of the amount on deposit in the Bond Fund, or of the amount of any credits against Basic Payments available to the Corporation, as of any payment date, but the Authority will cause the Trustee to respond to any reasonable requests that the Corporation may make for such information. Neither the Authority nor the Trustee shall be obligated to give any prior notice to the Corporation of the due date or amount of any Basic Payment, and failure to receive any such prior notice, even if customarily given by the Authority or the Trustee, shall not relieve the Corporation of its obligation to pay such Basic Payment when it is due and payable.

The Authority will, promptly following the designation of any successor or interim successor Trustee under the Indenture, give written notice to the Corporation of the name and location of the principal corporate trust office of such successor or interim successor Trustee, or it will cause such notice to be promptly given. In the event the due date of any Basic Payment payable hereunder is a Saturday, Sunday or legal holiday in the state in which the principal corporate office of the Trustee is located or a day on which the bank that is then acting as Trustee is legally authorized to close, such payment shall be due in immediately available funds no later than the opening of business by the Trustee on the first business day next succeeding such due date.

Section 5.3 Additional Payments — Trustee's Fees and Expenses. In addition to the Basic Payments and all other payments due from the Corporation hereunder, the Corporation will also pay (i) the annual fee of the Trustee for the ordinary services of the

Trustee rendered and its ordinary expenses incurred under the Indenture, (ii) the reasonable fees and charges of the Trustee as registrar, transfer agent and paying agent with respect to the Bonds, as well as the fees and charges of any other paying agent with respect to the Bonds who shall act as such agent in accordance with the provisions of the Indenture, (iii) the reasonable fees and expenses of the Trustee in connection with the issuance of a new Bond upon the partial redemption of any Bond, and (iv) the reasonable fees, charges and expenses of the Trustee for necessary extraordinary services rendered by it and necessary extraordinary expenses incurred by it under the Indenture. All such fees, charges and expenses shall be paid directly to the Trustee upon presentation of its statements therefor, but the Corporation may, without creating a default hereunder, contest in good faith the necessity for any extraordinary services performed by the Trustee or the reasonableness of the compensation or expenses of the Trustee in connection therewith. In addition to the foregoing, the Corporation shall pay all fees and expenses of the Trustee and the Bank as provided in Section 8.4 hereof.

Section 5.4 Additional Payments – Authority's Expenses. In addition to the Basic Payments and all other payments due from the Corporation hereunder, the Corporation will also pay the reasonable and necessary expenses, not otherwise provided for, which may be incurred by the Authority, or for which the Authority may in any way become liable, as a result of issuing any of the Bonds, undertaking the Project Work, or being a party to the Agreement of Sale or the Indenture; provided however, that so long as no Event of Default shall have occurred and be continuing, the Corporation's liability under this section shall not include expenses voluntarily incurred by the Authority without prior request or approval by the Corporation, unless such expenses are necessary to enable the Authority to perform its obligations under the Agreement of Sale and the Indenture.

Section 5.5 Additional Payments - Bond Preference Taxes. In addition to the Basic Payments and all other payments due from the Corporation hereunder, if, as the result of any change after the date of original issuance of the Series 1992 Bonds in the federal income tax laws or Alabama laws pertaining to Tax-Exempt Obligations, the Bank shall be required to pay any Bond Preference Taxes which are attributable, directly or indirectly, to the purchase or ownership of the Series 1992 Bonds held by the Bank, with the result that the Authority shall be required to make one or more payments to the Bank pursuant to the provisions of Section 7.1 of the Indenture, then the Corporation shall pay to the Bank (for the account of the Authority), within ten (10) days after receipt by the Corporation from the Authority of written notice (accompanied by appropriate verification) that the Authority has received written demand for such payment from the Bank, each payment that the Bank is entitled to receive under the provisions of the third paragraph of Section 7.1 of the Indenture; provided, however, that if, as the result of any change after the date of original issuance of the Series 1992 Bonds in the federal income tax laws or the laws of Alabama pertaining to Tax-Exempt Obligations, the Bank is relieved of any Bond Preference Taxes, then the Bank shall pay to the Corporation the amount of the Bond Preference Taxes of which it has been so relieved simultaneously with the filing by the Bank of the income tax return or returns (whether State, Federal or both) reflecting the benefit of such relief from such Bond Preference Taxes by the Bank.

Section 5.6 Concerning a Series 1992 Determination of Taxability. It is understood by the parties hereto, on the basis of representations, warranties and covenants contained in Sections 2.1, 2.2, 6.4 and 6.5 hereof,

(a) that the interest income on the Series 1992 Bonds will be excluded from gross income of the Holders thereof for purposes of federal income taxation under the provisions of Section 103 and related provisions of the Code, and

(b) that the Series 1992 Bonds will not be "arbitrage bonds" within the meaning of Section 148 of the Code.

The Corporation understands and agrees (i) that one of the principal inducements to the purchase of the Series 1992 Bonds by the Bank is that under existing law the interest thereon will be excluded from gross income of the Holders thereof for purposes of federal income taxation, and (ii) that, as a result of a mistake in any one or more of the aforesaid representations, or as a result of the breach of any one or more of the aforesaid warranties or covenants, the interest on the Series 1992 Bonds may, under the provisions of Section 103 and related provisions of the Code, be or become includable in gross income of the Holders thereof for purposes of federal income taxation. Therefore, upon the occurrence of a Series 1992 Determination of Taxability, the Corporation shall be obligated to pay, in addition to all other Basic Payments and additional payments due from the Corporation hereunder, (i) the increased Basic Payments necessary to provide funds for the payment of interest on the Series 1992 Bonds at a rate equal to the Base Rate for so long as they remain outstanding after such determination and (ii) the special installments of Basic Payments and other payments provided for in Section 5.7 hereof; provided, however, that the Corporation shall not be required to pay such additional payments with respect to any period during which any claim for increased taxes or penalties with respect to the interest on the Series 1992 Bonds by the United States of America is barred by the applicable statute of limitations; and provided further that if, at any time following a Series 1992 Determination of Taxability [but in no event later than three (3) years following the payment in full of the principal of and the interest on the Series 1992 Bonds], the federal income tax exemption on the interest on the Series 1992 Bonds is restored, in whole or in part, then, and in such event, the Bank shall promptly remit to the Corporation any moneys theretofore paid by the Corporation to the Bank on account of such Series 1992 Determination of Taxability.

A Series 1992 Event of Taxability shall result from the interest on the Series 1992 Bonds being or becoming includible in gross income of the Holders thereof for purposes of federal income taxation; provided that no Series 1992 Event of Taxability shall be deemed to have occurred if the interest income on the Series 1992 Bonds become subject to (i) the minimum tax imposed on individuals and corporations pursuant to the provisions of Section 55 of the Code, (ii) the environmental tax imposed on corporations by Section 59A of the Code or (iii) in the case of United States branches of foreign corporations, the branch profits tax imposed by Section 884 of the Code.

Irrespective of whether any or none of the Series 1992 Bonds are at the time outstanding, a Series 1992 Determination of Taxability shall be deemed to have occurred on the first to occur of the following:

(a) the date on which the Corporation determines that the interest income on the Series 1992 Bonds is includable in gross income of the Holders thereof for purposes of federal income taxation by filing with the Trustee a statement to that effect, supported by any tax schedule, return or other document which discloses that a Series 1992 Event of Taxability has occurred; or

(b) the date on which the Corporation shall be notified 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 Corporation, or upon any review or audit of the Corporation, or upon any other grounds whatsoever, a Series 1992 Event of Taxability has occurred; or

(c) the date on which the Corporation shall receive written notice from the Trustee that (i) the Trustee has been notified in writing by any Holder of any Series 1992 Bond that the Internal Revenue Service has assessed as includable in the gross income of such Holder the interest on such Series 1992 Bond due to the occurrence of a Series 1992 Event of Taxability, or (ii) that the Trustee has been notified by private ruling, technical advice or any other written communication from an authorized official of the Internal Revenue Service that the interest on any Series 1992 Bond is includable in the gross income of any Holder thereof due to the occurrence of a Series 1992 Event of Taxability.

Anything herein contained to the contrary notwithstanding, no Series 1992 Determination of Taxability shall result from any ruling or technical advice of the Internal Revenue Service unless the Corporation initiated the request for such ruling or advice or was afforded the opportunity to participate in such request and all other negotiations and communications with the Internal Revenue Service respecting such ruling or advice. Further, anything herein contained to the contrary notwithstanding, no Series 1992 Determination of Taxability shall result from any audit, investigation, suit, proceeding or any other action by the Internal Revenue Service that involves any Holder or former Holder of Series 1992 Bonds and that might be reasonably expected to lead to a Series 1992 Determination of Taxability, unless (i) the Corporation has received timely notice of such audit, investigation, suit, proceeding or other action, including, without limitation, notice of any preliminary notice of deficiency (the so-called "30-day letter") received by any Holder or former Holder, (ii) subject to the conditions of this section, the Corporation has been afforded a reasonable opportunity to contest, through appropriate proceedings conducted in the name and behalf of the Corporation or in the name and behalf of any Holder or former Holder of Series 1992 Bonds, any assessment or other action by the Internal Revenue Service against any Holder or former Holder of Series 1992 Bonds based on a determination that the interest on the Series 1992 Bonds is includable in gross income of the Holders thereof for purposes of federal income taxation, and (iii) such contest, if made, has been abandoned by the Corporation or has been finally decided by a court of competent jurisdiction from which no further appeal exists. Nothing herein contained shall be construed to impose upon the Corporation any obligation to contest any assessment or other action by the Internal Revenue Service providing the basis for a Series 1992 Determination of Taxability.

In order to give the Corporation time to decide whether to contest any assessment or other action by the Internal Revenue Service in connection with a pending Series 1992 Determination of Taxability, no such determination shall be recognized as occurring for a period of sixty (60) days following the event which, in the absence of the right of the Corporation to contest, would otherwise have immediately constituted such a determination. Definitive recognition of the occurrence of a pending Series 1992 Determination of Taxability shall not be deferred for more than such initial sixty-day period unless, prior to the expiration thereof, the Corporation (i) notifies the Trustee in writing of its intention to contest the assessment or other action by the Internal Revenue Service giving rise to such determination and (ii) furnishes to the Trustee a written opinion of Independent Counsel having expertise in federal tax law (which counsel shall be selected by the Corporation but shall be acceptable to the Trustee) to the effect that there is a bona fide defense to the contention of the Internal Revenue Service that interest on the Series 1992 Bonds is includable in gross income of the Holders thereof for purposes of federal income taxation. If the Corporation notifies the Trustee in writing during such initial sixty-day period that it has decided not to contest any action of the Internal Revenue Service in connection with a pending Series 1992 Determination of Taxability, or if, prior to the expiration of such period, the Corporation does not notify the Trustee in writing of its intention to contest any such action or furnishes the Trustee with the opinion of Independent Counsel referred to in the preceding sentence, then, in either case, the pending Series 1992 Determination of Taxability shall be deemed to have occurred on the date of the event which, in the absence of the right of the Corporation to contest, would have immediately constituted such determination.

If a Series 1992 Determination of Taxability is finally determined to have occurred as the result of a judicial decision in any contest conducted by or otherwise involving the Corporation, or if any contest in connection with a Series 1992 Determination of Taxability is abandoned by the Corporation, then the Corporation shall promptly give written notice to the Trustee of such decision or abandonment, as the case may be, and shall state therein the date determined by the Corporation to be that on which such decision or abandonment occurred, which date, subject to the right of the Trustee to designate a different date as hereinafter provided, shall be the date on which such Series 1992 Determination of Taxability shall be deemed to have occurred. If the Corporation fails to give the notice required by the preceding sentence within a reasonable time, or if the Corporation gives such notice but specifies therein a date for the Series 1992 Determination of Taxability that does not accord with the facts on which the determination of such date should have been based, or if such date has been otherwise determined in a manner prejudicial to the interests of the Holders or former Holders of the Series 1992 Bonds, then, in any such case, the Trustee, in the exercise of its sole judgment, shall designate the date of occurrence of the Series 1992 Determination of Taxability based upon such information as may be available to it. If continued contest by the Corporation results in a deferral of a pending Series 1992 Determination of Taxability for more than three (3) years, then, regardless of the continuation of such contest, such determination shall be deemed to have occurred three (3) years after the date on which, absent such contest, it would otherwise have occurred. Nothing contained in the Agreement of Sale or the Indenture shall be construed to prevent the recognition of a Series 1992 Determination of Taxability at any time after all of the Series 1992 Bonds have been paid in full and are no longer outstanding, subject, however, (i) to the right of the Corporation to contest such Series 1992 Determination of Taxability as herein

provided and (ii) to the right of the Corporation to a refund in accordance with the provisions of the first paragraph of this section.

If the Corporation contests any action by the Internal Revenue Service that could result in a Series 1992 Determination of Taxability, and if such contest involves any Holder or former Holder of Series 1992 Bonds, either through the appeal of any proposed assessment or other adjustment in the federal income taxes of such Holder or former Holder or through any proceeding brought in the name and behalf of such Holder or former Holder, then, and in such case, as a condition precedent to the obligations of the Corporation to such Holder or former Holder arising under Article V hereof as the result of a Series 1992 Determination of Taxability, such Holder or former Holder shall be obligated to cooperate fully with the Corporation in such contest and, if requested by the Corporation, to give the Corporation full and complete control of the conduct of such contest on the part of such Holder or former Holder, including, without limitation, the right to select counsel therefor and the right to settle or compromise the question of whether interest on the Series 1992 Bonds is includable in the gross income of such Holder or former Holder for federal income tax purposes. In connection with such contest, the Corporation will pay, or cause to be paid, all legal and other expenses incurred by the Corporation in the name and behalf of any Holder or former Holder of Series 1992 Bonds, as well as any legal and other expenses directly incurred by such Holder or former Holder with the written approval of the Corporation. The Corporation shall have the right to pay any tax deficiency or other charge assessed against any Holder or former Holder of Series 1992 Bonds which the Corporation deems it necessary or desirable to pay in connection with any contest, and any payment so made by the Corporation shall be credited against any special payments which may ultimately be owed to such Holder or former Holder pursuant to the provisions of Article V hereof.

If either the Corporation or the Trustee learns, from any source other than the other such party, of any action by the Internal Revenue Service or any other condition or event that constitutes or could result in a Series 1992 Determination of Taxability, the party so learning of such action, condition or event shall give notice thereof to the other such party promptly. Further, upon learning from any source of any action by the Internal Revenue Service or any other condition or event that constitutes or could result in a Series 1992 Determination of Taxability (including particularly, but without limitation thereto, the definitive occurrence of a pending Series 1992 Determination of Taxability), the Trustee shall give written notice of such action, condition or event promptly to all Holders of the Series 1992 Bonds then outstanding and to all former Holders of Series 1992 Bonds who held such bonds during a Series 1992 Prior Taxability Period with respect thereto, but if the Trustee learns of such action, condition or event from any source other than the Corporation, the Trustee shall not give notice thereof to any Holder or former Holder before giving such notice to the Corporation. In connection with such notice to the Holders and former Holders of Series 1992 Bonds, the Trustee may request, and make arrangements for obtaining, advice and information from such Holders and former Holders concerning actions by the Internal Revenue Service which relate to the occurrence or probable occurrence of a Series 1992 Determination of Taxability.

As a condition precedent to the obligations of the Corporation to any Holder or former Holder of Series 1992 Bonds arising under Article V hereof as the result of a Series 1992 Determination of Taxability, such Holder or former Holder shall be obligated to give timely

written notice to the Corporation and to the Trustee of any audit, investigation, suit, proceeding or other action by the Internal Revenue Service of which it has knowledge that involves such Holder or former Holder and that might reasonably be expected to lead to a Series 1992 Determination of Taxability. In the event that irreparable harm to the Corporation results from the failure of any Holder or former Holder of Series 1992 Bonds to give such notice to the Corporation and to the Trustee, the Corporation shall be discharged from such obligations (i.e., the respective obligations of the Corporation resulting from a Series 1992 Determination of Taxability) to a Holder who failed to give such notice or any Holder succeeding to ownership of Series 1992 Bonds from a Holder who failed to give such notice, but the Corporation shall not be discharged by such failure from such obligations to other Holders or former Holders of Series 1992 Bonds who have not breached the duty to give notice to the Corporation and to the Trustee.

The parties hereto understand and agree that the additional Basic Payments and other payments required from the Corporation by the provisions of Article V hereof upon the occurrence of a Series 1992 Determination of Taxability constitute liquidated damages for all losses and liabilities incurred at any time by the Holders or former Holders of the Series 1992 Bonds as a result of the interest thereon being or becoming includable in gross income of the Holders thereof for purposes of federal income taxation. It is understood and agreed, therefore, that if the Corporation duly pays such additional Basic Payments and other payments upon the occurrence of a Series 1992 Determination of Taxability, then neither the Authority nor the Trustee nor any Holder or former Holder of any Series 1992 Bond shall have any additional claim against the Corporation on account of the untruthfulness of any representation by the Corporation, the breach of any warranty or covenant of the Corporation, or any action taken by the Corporation, or any other event, whether or not within the control of the Corporation, which caused or may have caused the interest on the Series 1992 Bonds to be or become includable in gross income of the Holders thereof for purposes of federal income taxation. No provision of the Agreement of Sale shall be construed or applied in such manner as to result in the multiple payment of the same loss, expense or claim of the Trustee or of any Holder or former Holder of any Series 1992 Bonds, and neither the Trustee nor any such Holder or former Holder shall be entitled to recover moneys from the Corporation hereunder in payment of any such loss, expense or claim to the extent that the same has theretofore been paid with moneys from another source.

Section 5.7 Additional Payments in the Event of a Series 1992 Determination of Taxability. When any Series 1992 Determination of Taxability shall occur pursuant to the provisions of Section 5.6 hereof, the Corporation will pay, for the account of each Holder or former Holder of Series 1992 Bonds who held such Bonds during a Series 1992 Prior Taxability Period, the following special Basic Payments:

- (a) an amount equal to the difference between (i) the interest which would have accrued on the Series 1992 Bonds held by such Holder or former Holder during the Series 1992 Prior Taxability Period with respect thereto if such bonds had borne interest during such period at a rate equal to the Base Rate (reflecting the same changes in the Base Rate and otherwise calculated in the same manner as the regular interest borne by the Series 1992 Bonds during the same period and (ii) the regular interest borne by such Series 1992

Bonds during such Series 1992 Prior Taxability Period at the Applicable Percentage of the Base Rate;

(b) an amount sufficient to reimburse such Holder or former Holder for (i) all interest, penalties or other special charges not constituting regular income taxes which are payable by such Holder or former Holder in connection with such Series 1992 Determination of Taxability and which are not deductible for the purpose of computing federal income tax liability, plus (ii) all income taxes and other taxes and charges assessed or levied against such Holder or former Holder under the laws of the United States of America, the State of Alabama or any political subdivision or taxing authority of either thereof in respect of the receipt of the amount described in this clause (b); and

(c) an amount equal to any interest, penalties or other special charges not constituting regular income taxes which are payable by such Holder or former Holder in connection with such Series 1992 Determination of Taxability and which are deductible for the purpose of computing federal income tax liability.

In the event of a Series 1992 Determination of Taxability, the Corporation shall pay the foregoing special Basic Payments to all Holders or former Holders of any of the Series 1992 Bonds during a Series 1992 Prior Taxability Period with respect thereto who request such payment, or, in lieu of paying such amounts directly to the Holders or former Holders entitled thereto, the Corporation, at its option, may pay such installments to the Trustee for disbursement to such Holders or former Holders. Requests to the Corporation by any Holder or former Holder of any Series 1992 Bonds for amounts due under this section in connection with a Series 1992 Determination of Taxability may be made in whole or in part, and if in part, on more than one occasion, it being understood, for example, that a request as to amounts due under clause (a) of this paragraph may be submitted at one time and a request or requests as to amounts due under clause (b) or (c) of this paragraph may be submitted at other times. In connection with requests by Holders or former Holders of Series 1992 Bonds for the payment of amounts due under clause (b) or (c) of this paragraph, the Corporation may require reasonable evidence of the liability of such Holder or Holders for the amounts in question, including copies of any relevant statutory notices of deficiency, notices and demands for payment and other documents establishing or evidencing such liability.

When used with reference to any Holder or former Holder of a Series 1992 Bond that was outstanding on the date of the Series 1992 Event of Taxability, the term "Series 1992 Prior Taxability Period" shall mean the cumulative duration of the period or periods during which such Holder or former Holder owned such Series 1992 Bond after the date of the Series 1992 Event of Taxability until and including the date of the Series 1992 Determination of Taxability with respect to such Series 1992 Bond or the date on which such Series 1992 Bond ceased to be outstanding, whether by payment at maturity or redemption prior to maturity, whichever of such dates occurred first. Any individual period constituting all or part of the Series 1992 Prior Taxability Period with respect to any Holder or former Holder of any Series 1992 Bond shall be deemed to have commenced on the date on which such Holder acquired title to such Series 1992 Bond or the date of the Series 1992 Event of Taxability with respect thereto, whichever of such dates occurred later, and to have ended on the date of the Series

1992 Determination of Taxability or the date that such Holder transferred title to such Series 1992 Bond to another Person or the date on which such Series 1992 Bond ceased to be outstanding, whichever of such dates occurred first.

In addition to all other obligations of the Corporation herein contained, the Corporation will pay all amounts necessary to indemnify and save harmless the Trustee and the Holders and former Holders of the Series 1992 Bonds against all other damages, losses or expenses (including reasonable attorneys' fees) which the Trustee or any such Holder or former Holder may incur or be subject to as a consequence, direct or indirect, of a Series 1992 Determination of Taxability, including, without limitation, the defense or contest of any audit, investigation, suit or proceeding that may be initiated or conducted for the purpose of making such determination; provided, however, that the Corporation shall have no liability under this paragraph in favor of any Holder or former Holder of Series 1992 Bonds who fails to cooperate with the Corporation in any contest of any action by the Internal Revenue Service involving such Holder or former Holder that could result in a Series 1992 Determination of Taxability or who fails to give timely written notice to the Corporation of any audit, investigation, suit, proceeding or other action by the Internal Revenue Service of which it has knowledge that might reasonably be expected to lead to a Series 1992 Determination of Taxability.

Any Basic Payments or other payment owed by the Corporation under the provisions of this section that is not paid within ten (10) days of the date upon which the Holder or former Holder of Series 1992 Bonds to whom such payment is due shall request such payment shall bear interest from the date of such request until paid at a per annum rate equal to the Base Rate from time to time in effect plus two percent (2%).

The provisions of this section, together with all related provisions of the Agreement of Sale necessary to give effect thereto, shall survive the termination of the Agreement of Sale for any reason whatsoever, and if a Series 1992 Determination of Taxability occurs at any time after the termination of the Agreement of Sale, the Corporation's obligations under this section shall continue in full force and effect to the same extent as if such determination had been made prior to such termination of the Agreement of Sale, subject to the provisions of the first paragraph of Section 5.6 hereof relating to the period during which the statute of limitations bars collection of federal income taxes and penalties with respect to the interest on the Series 1992 Bonds.

Section 5.8 Optional Prepayment of Basic Payments. The Corporation may, at its option at any time and from time to time, prepay directly to the Trustee, for the account of the Authority, such amount of Basic Payments as shall be sufficient to enable the Authority to redeem and retire, in advance of maturity, any or all of the Bonds in accordance with their terms and the terms of the Indenture. In the event of such prepayment, the Authority will cause the amount of Basic Payments so prepaid to be applied to redemption and retirement of Bonds, in accordance with the provisions of the Indenture, on the earliest practicable date after receipt of such prepaid Basic Payments on which, under their terms and the terms of the Indenture, such Bonds may be redeemed, and will (upon being notified by the Corporation in writing of the Corporation's intention in this respect and without the necessity of the moneys therefor being deposited with the Trustee) take all action necessary under the provisions of the Indenture to effect such redemption. Optional prepayments of

Basic Payments referable to the Series 1992 Bonds shall be applied to the redemption of Series 1992 Bonds at the redemption prices and in accordance with the other terms and conditions set forth in Section 7.2 of the Indenture. The prepayment of Basic Payments will result in a total or partial abatement of the Basic Payments that would thereafter have come due had it not been for such prepayment.

Section 5.9 Obligations of the Corporation Unconditional. The obligation of the Corporation to pay the Basic Payments, to make all other payments provided for herein and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, irrespective of any rights of set-off, recoupment or counterclaim it might otherwise have against the Authority. The Corporation will not suspend, discontinue, reduce or defer any such payment or fail to perform and observe any of its other agreements and covenants contained herein or (except as expressly authorized herein) terminate the Agreement of Sale for any cause, including, without limiting the generality of the foregoing, or any change in the tax or other laws of the United States of America, the State of Alabama or any political or taxing subdivision of either thereof, or any failure of the Authority to perform and observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with the Agreement of Sale.

The provisions of the first paragraph of this section shall remain in effect only so long as any of the Indenture Indebtedness remains outstanding and unpaid. Nothing contained in this section shall be construed to prevent the Corporation, at its own cost and expense and in its own name or in the name of the Authority, from prosecuting or defending any action or proceeding or taking any other action involving third persons which the Corporation deems reasonably necessary in order to secure or protect its rights hereunder, and in such event the Authority will cooperate fully with the Corporation in any such action or proceeding. Further, nothing contained in this section shall be construed to release the Authority from the performance of any of the agreements on its part herein contained or to preclude the Corporation from instituting such action against the Authority as the Corporation may deem necessary to compel such performance, it being understood and agreed, however, that no such action on the part of the Corporation shall in any way affect the agreements on the part of the Corporation contained in the first paragraph of this section or in any way relieve the Corporation from performing any such agreements.

ARTICLE VI

PARTICULAR COVENANTS OF THE CORPORATION

Section 6.1 Release and Indemnification Covenants. The Corporation releases the Authority (and each director, officer and employee thereof) and the Trustee from, and will indemnify and hold the Authority (and each director, officer and employee thereof) and the Trustee harmless against, any and all claims and liabilities of any character or nature whatsoever, regardless of by whom asserted or imposed, and losses of every conceivable kind, character and nature, arising out of, resulting from, or in any way connected with the

Improvements, including, without limiting the generality of the foregoing, (i) any actions relating to the acquisition and construction of the Project and (ii) the sale of the Project to the Corporation and the condition, use, possession or management of the Improvements; provided however, that the Corporation shall not be obligated (1) to indemnify the Authority (or any director, officer or employee thereof) or the Trustee against any claim, liability or loss resulting from willful misconduct or gross negligence on the part of any such indemnifiable party or (2) to indemnify any director, officer or employee of the Authority against any claim, liability or loss in any way connected with the Project unless such claim, liability or loss arises out of or results from official action taken in the name and behalf of the Authority by such director, officer or employee.

The Corporation acknowledges that it may, at some time after the issuance of the Series 1992 Bonds initially issued, furnish to prospective purchasers of the Series 1992 Bonds (other than the Corporation and any Affiliate thereof) certain information concerning the business and financial condition of the Corporation, and the Corporation further acknowledges that it may seek the assistance and cooperation of the Authority in connection with the offering and sale of the Series 1992 Bonds to any prospective purchaser thereof (other than the Corporation or an Affiliate thereof). In connection with the offering and sale of any of the Series 1992 Bonds to any prospective purchaser thereof, the Corporation will indemnify, hold harmless and defend the Authority (and each director, officer and employee thereof) against

(a) any claim or liability whatsoever arising out of or based upon any untrue or misleading statement or alleged untrue or misleading statement of any material fact contained in any information furnished, or caused to be furnished, by or on behalf of the Corporation or any Affiliate thereof to any prospective purchaser of the Series 1992 Bonds, or the omission or alleged omission to state in any such information any material fact necessary to make the statements contained therein not misleading in the light of the circumstances under which such statements were made, and

(b) any claim or liability arising out of any action taken by the Authority at the request of the Corporation in connection with any offering and sale of the Series 1992 Bonds.

The Corporation will pay or reimburse all legal or other expenses reasonably incurred by the Authority (and each director, officer and employee thereof), or the Trustee, as the case may be, in connection with the investigation or defense of any action or proceeding, whether or not resulting in liability, with respect to any claim, liability or loss in respect of which indemnity may be sought against the Corporation under the provisions of this section.

In the event that any action or proceeding is brought against any indemnifiable party (whether the Authority, or any of the Authority's directors, officers or employees, or the Trustee) in respect of which indemnity may be sought against the Corporation under the provisions of this section, such indemnifiable party shall, as a condition of the Corporation's liability under the provisions of this section, be obligated to notify promptly the Corporation in writing of the commencement of such action or proceeding and shall thereafter forward to the Corporation a copy of every summons, complaint, pleading, motion or other process

received with respect to such action or proceeding. The Corporation may (and if so requested by such indemnifiable party, shall) at any time assume the defense of such indemnifiable party in connection with any such action or proceeding, and in such case the Corporation shall pay all expenses of such defense and shall have full and complete control of the conduct on the part of such party of any such action or proceeding, including, without limitation, the right to settle or compromise any claim giving rise to such action or proceeding upon such terms and conditions as the Corporation, in its sole discretion, shall determine. In the event that any claim is asserted against the Authority which would not be payable solely out of the proceeds of any of the Bonds or other funds advanced to the Authority by the Corporation (viz., a general, not a limited, claim), the Corporation shall at the request of the Authority provide an indemnity bond with sureties satisfactory to the Authority. Any other provision of this section to the contrary notwithstanding, the Corporation shall not be obligated to indemnify any such indemnifiable party for any liability resulting from the settlement of any action or proceeding, or for any legal or other expenses incurred in connection with the investigation or defense of any action or proceeding, if such settlement was made without the Corporation's consent, irrespective of whether the Corporation had, prior to such settlement, exercised its right to assume the defense of such indemnifiable party in connection with such action or proceeding.

Anything to the contrary herein contained notwithstanding, the covenants of the Corporation contained in this section shall, with respect to any claim, liability or loss for which the Corporation is obligated to provide indemnity, remain in full force and effect after the termination or expiration of the Agreement of Sale until (i) any cause of action brought in respect of such claim, liability or loss shall be barred by the applicable statute of limitation or (ii) the payment in full or the satisfaction of such claim, liability or loss, including all reasonable expenses incurred by the indemnifiable party or parties in defending against such claim, liability or loss; provided however, that in the event any action or proceeding arguably barred by the applicable statute of limitation is brought against any indemnifiable party hereunder, the Corporation shall be obligated to defend such indemnifiable party with respect to such action or proceeding, all to the end that the bar of the statute of limitation may be asserted by the Corporation against the party bringing such action or proceeding but may not be asserted by the Corporation against the indemnifiable party in order to avoid performing any of its obligations under this section.

Section 6.2 Inspection of the Project. So long as any of the Indenture Indebtedness is outstanding, the Corporation will permit the Authority and the Trustee and their duly authorized representatives during normal business hours to examine and inspect the Project or any part thereof.

Section 6.3 Agreements Respecting Corporate Existence and Transfer of Assets. So long as any of the Indenture Indebtedness shall be outstanding and unpaid, the Corporation will maintain its corporate existence, will not dissolve or sell, lease, transfer or otherwise dispose of all or substantially all its assets (either in a single transaction or in a series of related transactions), and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it without the prior written consent of the Bank.

Section 6.4 Covenants With Respect to Exemption of Interest on Series 1992 Bonds from Federal Income Taxation. (a) The Series 1992 Bonds are being issued by the Authority in compliance with the conditions necessary for the interest income on the Bonds to be excludable from gross income of the Holders thereof for purposes of federal income taxation pursuant to the provisions of Section 145(a) of the Code relating to "qualified 501(c)(3) bonds". The Authority and the Corporation covenant with each other and with the Trustee for the benefit of the Holders of any Series 1992 Bonds, present and future, that neither of them will cause or permit the proceeds of the Series 1992 Bonds to be used in a manner which would cause the interest on the Series 1992 Bonds to lose said exclusion from gross income conferred by Section 145(a) of the Code and the applicable regulations thereunder.

(b) The Corporation will file, or cause to be filed, with appropriate governmental authorities (whether state, federal or local) all statements and reports required to be filed as a condition of qualification of the Series 1992 Bonds as an issue the interest on which is excludable from gross income for the Holders thereof for purposes of federal income taxation, and the Authority will cooperate with the Corporation in connection with such filings to the extent reasonably requested by the Corporation.

(c) The Corporation will not cause or permit more than 2% of the face amount of the Series 1992 Bonds to be used for the payment of the costs and expenses of issuing the Series 1992 Bonds.

(d) The Corporation will cause at least 95% of the proceeds of the Series 1992 Bonds plus the income earned from the investment of such proceeds (less the amount, if any, deposited in a reasonably required reserve fund) to be used to provide property owned by a 501(c)(3) organization within the meaning of Section 145(a) of the Code.

(e) The "average maturity" of the Series 1992 Bonds will not exceed 120% of the average reasonably expected economic life of the facilities being financed with the proceeds of the Series 1992 Bonds, all within the meaning of Section 147(b) of the Code.

(f) The Corporation will not cause or permit the use of any portion of the proceeds of the Series 1992 Bonds to be used to provide a facility (with the exception of a "health club facility") described in Section 147(e) of the Code.

(g) The Corporation will not take any action after the date of the issuance of the Series 1992 Bonds which would cause the Corporation or the Series 1992 Bonds to exceed the limitation described in Section 145(b) of the Code.

Section 6.5 No-Arbitrage Covenants. Investment of Proceeds. Neither the Authority nor the Corporation will take any action, or omit to take any action, with respect to the investment of any of the proceeds from the sale of the Series 1992 Bonds, or any revenues from the Project accumulated by the Authority, if, as a result of such action by the Authority or the Corporation, or the omission of the Authority or the Corporation to take such action, as the case may be, such proceeds or revenues would be invested in a manner causing the Series 1992 Bonds to be "arbitrage bonds" within the meaning of Section 148 of

the Code and the applicable regulations thereunder. The Corporation shall be solely responsible for (i) determining that any such investment complies with the arbitrage limitations imposed by Section 148 of the Code, including without limitation the provisions of Section 148 of the Code relating to investment of "gross proceeds" of bonds, and (ii) calculating the amount of, and making payment of, any rebatable arbitrage due to the United States under Section 148(f) of the Code and the regulations thereunder.

The Corporation will not cause or permit any proceeds of the Series 1992 Bonds to be invested in a manner contrary to the provisions of Section 148(f) of the Code and the applicable regulations thereunder and will assure compliance with such requirements on behalf of the Authority. The Corporation will keep or cause to be kept records, will periodically make or cause to be made computations of rebatable arbitrage, and will make or cause to be made installment payments of rebatable arbitrage to the United States of America in accordance with all requirements of Section 148 of the Code and the regulations thereunder in order for the interest on the Series 1992 Bonds to be and remain excludable from gross income for federal income tax purposes. As and to the extent so requested, (i) not later than sixty (60) days after the end of each fifth "bond year", as such term is used in said Section 148(f) and the regulations thereunder and after the last Series 1992 Bond is fully paid, the Corporation will furnish to the Authority and the Trustee a report showing the amounts that will be required to be paid to the United States of America pursuant to the provisions of said Section 148(f) as of the end of such bond year and (ii) the Corporation will timely pay to the United States of America, for the account of the Authority, all amounts required to be so paid in accordance with said Section 148(f) and will maintain, on behalf of the Authority, all records required to be maintained pursuant to said Section 148(f). The Corporation agrees to furnish to the Authority and the Trustee such reports, certificates and documentation (including, without limitation, certificates of accountants and opinions of counsel) as they may reasonably request to evidence compliance with the provisions of this section.

Section 6.6 Annual Audits. The Corporation will maintain proper books of record and account in which it will make full and correct entries of all its activities and operations in accordance with generally accepted accounting principles. Within one hundred twenty (120) days following the close of each of its fiscal years, it will furnish to the Trustee

(a) a balance sheet and statements of revenues and expenditures, changes in fund balances and changes in financial condition, showing the financial condition of the Corporation at the close of such fiscal year, and

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

Each of such balance sheets and statements shall be accompanied by a certificate or opinion of an independent certified public accountant (or firm thereof), in a standard form approved by the American Institute of Certificate Public Accountants or successor body thereto (if any).

Section 6.7 Further Assurances. The Corporation will, at its own expense, take all actions that may at the time and from time to time be necessary to perfect, preserve, protect and secure the interests of the Authority and the Trustee, or either, in and to the revenues pledged and assigned in the Indenture.

ARTICLE VII

CERTAIN PROVISIONS RELATING TO ASSIGNMENT AND TO THE BONDS

Section 7.1 Assignment of the Agreement of Sale by the Corporation. The Corporation may assign the Agreement of Sale with the prior written consent of the Holders of all the outstanding Bonds, but without the necessity of obtaining the consent of the Authority or the Trustee; provided, however, that any such assignment or any dealings or transactions between the Authority or the Trustee or any assignee in any way relieve the Corporation from primary liability for any of its obligations hereunder. Thus, in the event of any such assignment, the Corporation shall remain primarily liable for payment of the amounts herein provided to be paid by it and for performance and observance of the other agreements and covenants on its part herein provided to be performed and observed by it. Promptly following any assignment of the Agreement of Sale, the Corporation will notify the Authority and the Trustee in writing of the occurrence of any such transaction.

Section 7.2 Assignment of the Agreement of Sale by the Authority. It is understood and agreed that the Authority will assign its interest (other than its right to require the Corporation to pay certain expenses as provided in Sections 5.4 and 8.4 hereof and the indemnification rights contained in Section 6.1 hereof) in the Agreement of Sale, and pledge any moneys receivable hereunder, to the Trustee as security for payment of the principal of and the interest and premium (if any) on the Bonds. It is further understood and agreed that in the Indenture the Authority will obligate itself to follow the instructions of the Trustee or the Holders of the Bonds or a certain percentage of the latter in the election or pursuit of any remedies herein vested in it. Upon the assignment and pledge to the Trustee of the Authority's interest in the Agreement of Sale, the Trustee shall have all rights and remedies herein accorded the Authority (other than the aforesaid expense payment and indemnification rights), and any reference herein to the Authority shall be deemed, with the necessary changes in detail, to include the Trustee; and the Trustee and the Holders of the Bonds shall be deemed to be third-party beneficiaries of the covenants and agreements on the part of the Corporation contained in the Agreement of Sale and shall, to the extent provided in the Indenture, be entitled to enforce performance and observance of the agreements and covenants on the part of the Corporation contained in the Agreement of Sale to the same extent as if they were parties hereto. Subsequent to the issuance of any of the Bonds and prior to the payment of the Indenture Indebtedness in full, the Authority and the Corporation shall have no power to modify, alter, amend or (except as specifically authorized herein) terminate the Agreement of Sale without the prior written consent of the Trustee and then only as provided in the Indenture. So long as an Event of Default shall not have occurred and

be continuing, the Authority will not amend the Indenture or any indenture supplemental thereto without the prior written consent of the Corporation.

Without the prior written request or consent of the Corporation, the Authority will not, so long as an Event of Default shall not have occurred and be continuing, hereafter issue any Bonds or other securities (including refunding securities), other than the Series 1992 Bonds, that are payable out of or secured by a pledge of the revenues and receipts derived by the Authority from the Project, nor, without such consent, will the Authority, so long as an Event of Default shall not have occurred and be continuing, hereafter place any mortgage or other encumbrance (other than the Indenture and supplemental indentures contemplated thereby) on the Project or the revenues derived by the Authority therefrom.

Section 7.3 References to Bonds Ineffective after Indenture Indebtedness Paid. Upon full payment of the Indenture Indebtedness and cancellation, satisfaction and discharge of the Indenture in accordance with the provisions of Section 15.1 thereof, all references in the Agreement of Sale to the Bonds and the Trustee shall be ineffective and neither the Trustee, nor the Holders of any of the Bonds shall thereafter have any rights hereunder, saving and excepting any that shall have theretofore vested.

Section 7.4 Concerning Issuance of Additional Parity Bonds. The Authority and the Corporation recognize that the Authority is authorized to issue under the Indenture, upon compliance with the conditions precedent specified therein, one or more series of Additional Bonds for any one or more of the purposes specified in the Indenture. If no Event of Default shall have occurred and be continuing, the Authority will, on the written request of the Corporation and upon compliance with the applicable conditions contained in Article VIII of the Indenture, take such actions as are necessary to authorize the issuance and sale of Additional Bonds in such principal amount and for such purpose or purposes as are specified in such request and will use its best efforts to effect the sale thereof. To the extent consistent with all applicable provisions of the Indenture and the Agreement of Sale, all terms and conditions of such Additional Bonds (including, without limitation, those relating to the maturity dates of the principal of such Additional Bonds, the interest rate or rates thereof and the provisions for redemption thereof prior to their respective maturities) and the purchase price to be paid therefor shall be subject to the approval of the Corporation.

Section 7.5 Disposition of Trust Fund Moneys after Full Payment of Indenture Indebtedness. The Authority hereby assigns to the Corporation all surplus moneys (if any) that may remain in the Construction Fund or the Bond Fund or that may otherwise be held by the Trustee after the Indenture Indebtedness has been fully paid, such assignment to be subject to the condition that the Agreement of Sale shall not have been terminated prior to full payment of the Indenture Indebtedness as a result of the occurrence of an Event of Default. The Authority will provide in the Indenture for such surplus moneys to be paid to the Corporation in accordance with such assignment. It is understood and agreed that surplus moneys remaining in the Bond Fund or otherwise held by the Trustee shall not include (i) any amounts so held for payment of matured but unpaid Bonds, Bonds called for redemption but not yet redeemed, and matured but unpaid interest and (ii) any amounts held

therein which are referable to unmatured Bonds if such Bonds are considered fully paid pursuant to the provisions of Section 15.1 of the Indenture by reason of the fact that such amounts are so held by the Trustee. The provisions of this section shall survive the expiration or termination of the Agreement of Sale.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default Defined. The following shall be "Events of Default" under the Agreement of Sale, and the term "Event of Default" shall mean, whenever it is used in the Agreement of Sale, any one or more of the following events:

- (a) failure by the Corporation to pay any Basic Payment on or before the date that such payment shall become due and payable by the terms of the Agreement of Sale and the continuation of such failure for a period of ten (10) days;
- (b) failure by the Corporation to pay any amount due the Trustee for its reasonable fees, charges and disbursements within thirty (30) days after written demand for such payment by the Trustee, which demand shall not be made earlier than the date on which such amount is due and payable;
- (c) failure by the Corporation to perform or observe any agreement, covenant or condition required by the Agreement of Sale to be performed or observed by it [other than the agreements and covenants referred to in the preceding clauses (a) and (b) of this section], which failure shall have continued for a period of thirty (30) days after written notice specifying, in reasonable detail, the nature of such failure and requiring the Corporation to perform or observe the agreement, covenant or condition with respect to which it is delinquent shall have been given to the Corporation by the Authority or the Trustee, unless the Authority and the Trustee shall agree in writing to an extension of such period prior to its expiration;
- (d) an "Event of Default" under the Series 1992 Pledge Agreement or the Indenture, as such term is respectively therein defined and used;
- (e) the rendering against the Corporation of a final judgment, decree or order for the payment of money in excess of \$100,000 and the continuance of such judgment, decree or order unsatisfied and in effect for any period of thirty (30) consecutive days without a stay of execution;
- (f) a default under any other bond, debenture, note or other evidence of indebtedness of the Corporation in excess of \$100,000 or under any

indenture or other instrument under which any such evidence of indebtedness has been issued or by which it is governed and the expiration of the applicable period of grace, if any, specified in such evidence of indebtedness, indenture or other instrument; provided, however, that if such default under such evidence of indebtedness, indenture or other instrument shall be cured by the Corporation, or waived by the holders of such indebtedness, in each case as may be permitted by such evidence of indebtedness, indenture or other instrument, then the Event of Default hereunder by reason of such default shall be deemed likewise to have been thereupon cured or waived;

(g) institution by the Corporation of proceedings to be adjudicated a bankrupt or insolvent, or consent by the Corporation to the filing of a bankruptcy or insolvency proceeding against it, or the filing by the Corporation of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or as amended, or any other applicable federal or state bankruptcy or other similar law, or consent by the Corporation to the institution of proceedings thereunder or to the filing of any such petition, or consent by the Corporation to the appointment of, or the taking of possession of any of its property by, a receiver, liquidator, trustee, custodian or assignee in bankruptcy or insolvency for the Corporation or for all or a major part of its property, or an assignment by the Corporation for the benefit of its creditors, or a written admission by the Corporation of its inability to pay its debts generally as they become due, or the failure by the Corporation generally to pay its debts as such debts become due, or the taking of any corporate action by the Corporation in furtherance of any of the foregoing events or actions; or

(h) the entry of a decree or order by a court of competent jurisdiction for relief in respect of the Corporation or adjudging the Corporation to be a bankrupt or insolvent or approving as properly filed a petition seeking reorganization of the Corporation or the arrangement, adjustment or composition of its obligations under Title 11 of the United States Code, as now constituted or as amended, or any other applicable federal or state bankruptcy or other similar law, which decree or order shall have continued undischarged or unstayed for a period of sixty (60) days; or the entry of a decree or order of a court of competent jurisdiction for the appointment of a receiver, liquidator, trustee, custodian or assignee in bankruptcy or insolvency for the Corporation or for all or a major part of its property, or for the winding up or liquidation of its affairs, which decree or order shall have remained in force undischarged or unstayed for a period of ninety (90) days.

Section 8.2 Remedies on Default. Whenever any Event of Default shall have happened and be continuing, the Authority and the Trustee, or the Trustee on behalf of the Authority, may take any one or more of the following remedial actions:

(a) declare immediately due and payable Basic Payments in an amount equal to the principal amount of all outstanding Bonds plus interest accrued on such Bonds to the date of such declaration, whereupon such Basic Payments shall become immediately due and payable, but only if, concurrently with such declaration, the principal of and accrued interest on the Bonds are also declared due and payable pursuant to subsection (a) of Section 12.2 of the Indenture;

(b) have access to, and inspect, examine and make copies of, the books, records and accounts of the Corporation, but if and only if any of the Bonds are then outstanding; and

(c) take whatever legal proceedings may appear necessary or desirable to collect the payments then due, whether by declaration or otherwise, or to enforce any obligation, covenant or agreement of the Corporation under the Agreement of Sale or any obligation of the Corporation imposed by any applicable law.

If, however, the Corporation makes good that default and every other default hereunder (except for those installments of principal and interest declared due and payable that would, absent such declaration, not be due and payable), with interest on all overdue payments of principal and interest, and makes reimbursement of all the reasonable expenses of the Trustee, then the Trustee may (and, if requested in writing by Holders of a majority in principal amount of the then outstanding Bonds, shall), by written notice to the Corporation, waive such default and its consequences, but no such waiver shall affect any subsequent default or right relative thereto.

Section 8.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Agreement of Sale. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority or the Trustee to exercise any remedy reserved to it in this article, it shall not be necessary to give any notice, other than such notice as is herein expressly required.

Section 8.4 Agreement to Pay Attorneys' Fees. The Corporation shall bear all expenses of the Trustee or Bank (including fees and expenses of its or their counsel) in connection with the preparation of this Agreement of Sale or the Indenture, the Bonds, or related documents, and also in connection with any amendment or modification thereto. If, at any time or times hereafter, whether before or after the occurrence of an Event of Default, Trustee or Bank employs counsel to advise or provide other representation with respect to this Agreement, the Indenture, the Bonds, or any related document, or to collect the balance of the Bonds, or to take any action in or with respect to any suit or proceeding relating to this Agreement, the Indenture or the Bonds, or to protect, collect, or liquidate any collateral held

for the Bonds or to attempt to enforce any security interest in any said collateral, then in any such events, all of the reasonable attorneys' fees arising from such services and any expenses, costs and charges relating thereto shall constitute additional obligations of Corporation payable on demand of the Trustee or Bank, as the case may be, and all of said fees and expenses shall be secured by and entitled to the benefits of the Trust. The obligation of Corporation to pay said fees and expenses shall be secured by a first priority lien on all funds, properties, assets, and trust estates held by Trustee pursuant to the Indenture.

Section 8.5 No Additional Waiver Implied by One Waiver. In the event any agreement contained in the Agreement of Sale should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. Further, neither the receipt nor the acceptance of any payment hereunder by the Authority, or by the Trustee on its behalf, shall be deemed to be a waiver of any breach of any covenant, condition or obligation herein contained or a waiver of any Event of Default even though at the time of such receipt or acceptance there has been a breach of one or more covenants, conditions or obligations on the part of the Corporation herein contained or an Event of Default (or both) and the Authority or the Trustee (or both) have knowledge thereof.

ARTICLE IX

OPTION TO TERMINATE AGREEMENT OF SALE

Section 9.1 Option to Terminate the Agreement of Sale. The Corporation shall have the right, exercisable at its option, to cancel or terminate the Agreement of Sale upon compliance with the conditions specified in the succeeding provisions of this section:

(a) At any time prior to full payment of the entire Indenture Indebtedness, the Corporation may cancel or terminate the Agreement of Sale by (i) giving the Authority and the Trustee written notice of such termination and specifying in such notice the date on which such termination is to be effective and (ii) paying to the Trustee for the account of the Authority, on or before the effective date of such termination, an amount which, when added to the total of the amounts then held in the Bond Fund (exclusive of any amount held therein for payment of matured but unpaid Bonds, Bonds called for redemption but not yet redeemed, and matured but unpaid interest), will be sufficient to pay, redeem and retire all the outstanding Bonds on the earliest practicable date next succeeding the effective date of such termination on which under their terms and the terms of the Indenture they may be paid or redeemed, including, without limitation, principal, premium (if any), all interest to mature until and on such payment or redemption date, the expenses of redemption and all other Indenture Indebtedness then owing and that will accrue until the payment, redemption and retirement of all the outstanding Bonds. Upon being notified by the Corporation in writing of the Corporation's intentions in this respect and without the necessity of the moneys therefor

being deposited with the Trustee, the Authority will take, or cause the Trustee to take, all preliminary action necessary under the provisions of the Indenture to effect the payment, redemption and retirement of all the outstanding Bonds.

(b) At any time after the entire Indenture Indebtedness has been fully paid, the Corporation may cancel or terminate the Agreement of Sale by giving the Authority written notice of such termination not less than ten (10) days prior to the date on which such termination is to be effective.

Any cancellation or termination of this Agreement of Sale as aforesaid notwithstanding, any obligations or liabilities of the Corporation hereunder, actual or contingent, which have arisen on or before the effective date of such cancellation or termination shall remain in full force and effect until paid or otherwise discharged.

ARTICLE X

MISCELLANEOUS

Section 10.1 Exemption from Taxation. As provided in the Act, as now existing, the Authority warrants and covenants that the Bonds and the income therefrom and any revenues derived by the Authority from the sale of the Project shall be exempt from all taxation in the State of Alabama.

Section 10.2 Net Agreement. The Corporation recognizes and understands that it is the intention hereof that the sale herein made shall be on a net basis and that until the Bonds are fully paid all Basic Payments shall be available for payment of the principal and the interest on the Bonds. The Agreement of Sale shall be construed to effectuate such intent.

Section 10.3 Notices. All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered in person to the following addresses or received by certified or registered mail, postage prepaid with return receipt requested, at such addresses:

(a) If to the Authority:

The Educational Building Authority
of the Town of Indian Springs Village
Town Hall
Indian Springs Village, Alabama 35124
Attention: Chairman of the Board of Directors

(b) If to the Corporation:

Indian Springs School
6000 Cahaba Valley Road
Indian Springs Village, Alabama 35124
Attention: Chairman of the Board of Directors

(c) If to the Trustee:

First Alabama Bank
Post Office Box 10247
Birmingham, Alabama 35202
Attention: Corporate Trust Department

(d) If to the Bank:

First Alabama Bank
Post Office Box 10247
Birmingham, Alabama 35202
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 Trustee pertaining to the Bonds.

Any of the above mentioned parties may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. A copy of any notice given to any of the above named parties pursuant to the provisions of the Agreement of Sale shall also be given to those of such parties to whom notice is not herein required to be given, but the failure to give a copy of such notice to any party claiming the right to receive it pursuant to this sentence shall not invalidate such notice or render it ineffective unless notice to such party is otherwise herein expressly required. 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 10.4 Limited Liability of the Authority. The Authority is entering into this Agreement of Sale pursuant to the authority conferred upon it by the Act. No provision hereof shall be construed to impose a charge against the general credit of the Authority or any personal or pecuniary liability upon the Authority except with respect to the proper application of the proceeds to be derived from the sale of the Bonds, moneys made available by the Corporation to the Authority pursuant to the provisions hereof, and the revenues and receipts to be derived by the Authority from the Project, including insurance proceeds and condemnation awards. Further, none of the directors, officers, employees or agents (other than the Corporation as agent of the Authority in connection with the acquisition, construction and installation of the Improvements) of the Authority shall have any pecuniary liability whatever hereunder or any liability for the breach by the Authority of any of the agreements on its part herein contained. Nothing contained in this section, however, shall

relieve the Authority from the observance and performance of the several covenants and agreements on its part herein contained or relieve any director, officer, employee or agent of the Authority from performing all duties of their respective offices that may be necessary to enable the Authority to perform the covenants and agreements on its part herein contained.

Section 10.5 Limited Liability of Trustees, Directors, Officers, Employees or Agents of the Corporation. None of the trustees, directors, officers, employees or agents of the Corporation shall have any personal or pecuniary liability whatever hereunder or any liability for the breach of the Corporation of any of the agreements on its part herein contained. Nothing contained in this section, however, shall relieve any trustee, director, officer or employee of the Corporation from performing all duties of their respective offices that may be necessary to enable the Corporation to perform the covenants and agreements on its part herein contained.

Section 10.6 Disclaimer of Liability on Behalf of the Woodward Trust. The agreements and covenants on the part of the Corporation herein contained are agreements and covenants on the part of the Corporation only, and nothing herein contained shall be construed to impose any liability whatever upon the Woodward Trust, be bound in any way by any of the agreements or covenants on the part of the Corporation contained herein.

Section 10.7 Binding Effect. The Agreement of Sale shall inure to the benefit of, and shall be binding upon, the Authority, the Corporation and their respective successors and assigns. To the extent provided herein and in the Indenture, the Trustee, the Bondholders, and certain indemnifiable parties specified in Section 6.1 hereof shall be deemed to be third party beneficiaries hereof, but nothing herein contained shall be deemed to create any right in, or to be for the benefit of, any other Person who is not a party hereto.

Section 10.8 Severability. In the event any provision of the Agreement of Sale shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof. Without in any way limiting the generality of the foregoing, the Corporation specifically acknowledges and agrees that the several purchase options granted it herein are fully severable from and independent of the other provisions hereof and that neither the invalidity or unenforceability of any of such purchase options shall invalidate or render unenforceable any other provision hereof nor excuse the Corporation from fully performing and observing any of the agreements and covenants on its part herein contained.

Section 10.9 Article and Section Captions. The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

Section 10.10 Governing Law. The Agreement of Sale and the rights and obligations of the parties hereto (including third party beneficiaries) shall be governed, construed and interpreted according to the laws of the State of Alabama.

IN WITNESS WHEREOF, the Authority and the Corporation have caused this Agreement of Sale to be executed in their respective corporate names, have caused their respective corporate seals to be hereunto affixed and have caused this Agreement of Sale to be attested, all by their duly authorized officers, in seven (7) counterparts, each of which shall be deemed an original, and the parties have caused this Agreement of Sale to be dated as of August 1, 1992, although executed by the Authority on September 3, 1992, and by the Corporation on September 3, 1992, and delivered by both said parties on September 3, 1992.

**THE EDUCATIONAL BUILDING AUTHORITY
OF THE TOWN OF INDIAN SPRINGS VILLAGE**

By 
Chairman of its Board of Directors

ATTEST:


Its Secretary

[SEAL]

INDIAN SPRINGS SCHOOL

By 
Chairman of its Board of Directors

ATTEST:


Its Secretary

[SEAL]

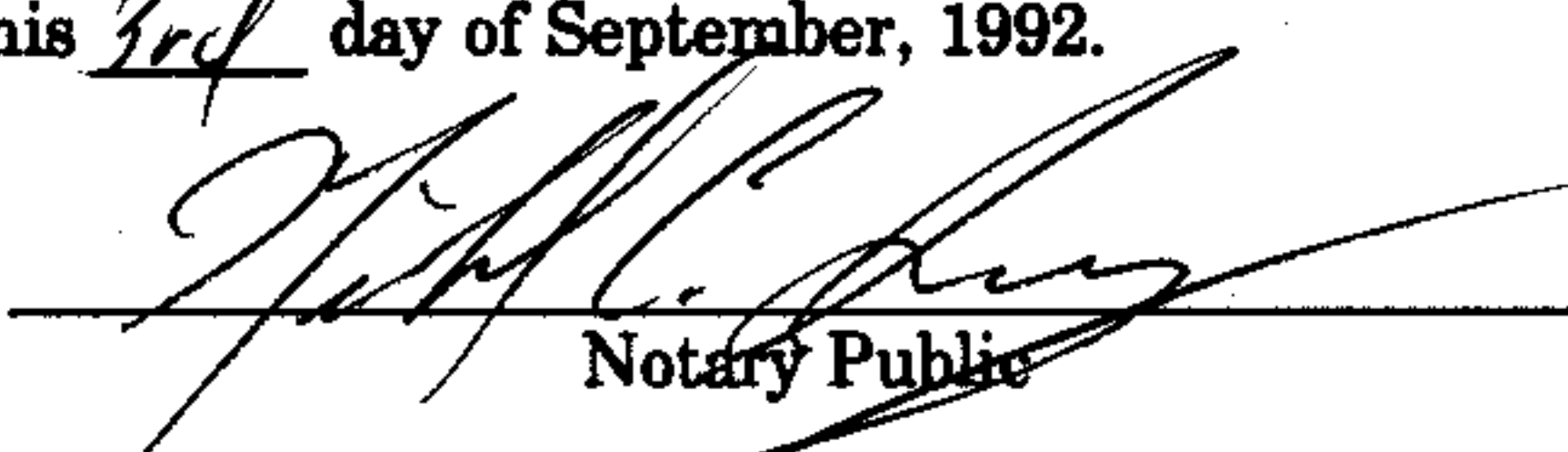
STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that ROBERT THOMAS, whose name as Chairman of the Board of Directors of THE EDUCATIONAL BUILDING AUTHORITY OF THE TOWN OF INDIAN SPRINGS VILLAGE, a public corporation and instrumentality under the laws of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

GIVEN under my hand and seal, this 3rd day of September, 1992.

[NOTARIAL SEAL]


Notary Public

My Commission Expires: _____

MY COMMISSION EXPIRES MARCH 28, 1995

STATE OF ALABAMA)

JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that WILLIAM M. SLAUGHTER, whose name as Chairman of the Board of Directors of INDIAN SPRINGS SCHOOL, nonprofit corporation organized and existing under the laws of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said nonprofit corporation.

GIVEN under my hand and seal, this 3rd day of September, 1992.

[NOTARIAL SEAL]


Notary Public

My Commission Expires: _____

MY COMMISSION EXPIRES MARCH 28, 1995

EXHIBIT A
to
AGREEMENT OF SALE
between
THE EDUCATIONAL BUILDING AUTHORITY
OF THE TOWN OF INDIAN SPRINGS VILLAGE
and
INDIAN SPRINGS SCHOOL
dated as of August 1, 1992

The Site referred to in the Agreement of Sale of which this Exhibit A forms a part consists of the following described parcels of land located in the Town of Indian Springs Village, Shelby County, Alabama:

PARCEL A

A parcel of land situated in the West 1/2 of the N.E. 1/4 and the East 1/2 of the N.W. 1/4 of Section 32, Township 19 South, Range 2 West, Shelby County, Alabama being more particularly described as follows:

Commence at the Northeast corner of the S.W. 1/4 of the N.E. 1/4 of Section 32, Township 19 South, Range 2 West and run S72° 00' W a distance of 82.01 feet to the POINT OF BEGINNING; thence continue along the last stated course a distance of 530.19 feet to a point; thence 93° 24' to the right in a Northwesterly direction a distance of 440 feet, more or less, to a point; thence 90° 00' to the left in a Southwesterly direction a distance of 960 feet, more or less, to a point; thence 83° to the left in a Southeasterly direction a distance of 500 feet, more or less, to a point; thence 90° to the left in a Northeasterly direction a distance of 25 feet, more or less, to a point; thence 90° to the left in a Northwesterly direction a distance of 410 feet, more or less to a point; thence 83° to the right in a Northeasterly direction a distance of 375 feet, more or less, to a point; thence 80° to the right in a Southeasterly direction a distance of 425 feet, more or less, to a point; thence 73° 45' to the right in a Southwesterly direction a distance of 625 feet, more or less, to a point; thence 90° to the left in a Southeasterly direction a distance of 260 feet, more or less, to a point on the West line of the S.W. 1/4 of the N.E. 1/4 of said section; thence in a Southerly direction along said West line a distance of 175 feet, more or less, to a point on the Cahaba Valley Creek; thence in a generally Easterly direction along the meanders of said Cahaba Valley Creek to its intersection with the East line of the Indian Springs School property; thence North along said East line a distance of 430 feet, more or less, to the POINT OF BEGINNING.

PARCEL B

A parcel of and situated in the East 1/2 of the N.W. 1/4 of Section 32, Township 19 South, Range 2 West, Shelby County, Alabama being more particularly described as follows:

Commence at the Northeast corner of the S.W. 1/4 of the N.E. 1/4 of Section 32, Township 19 South, Range 2 West and run S72° 00' W a distance of 612.20 feet to a point; thence 93° 24' to the right in a Northwesterly direction a distance of 440 feet, more or less, to a point; thence 90° 00' to the left in a Southwesterly direction a distance of 960 feet, more or less, to the POINT OF BEGINNING; thence continue along the last stated course a distance of 500 feet, more or less, to a point; thence 61° 30' to the left in a Southwesterly direction a distance of 290 feet, more or less, to a point; thence 104° 30' to the left in an Easterly direction a distance of 490 feet, more or less, to a point; thence 49° 00' to the left in a Northeasterly direction a distance of 150 feet, more or less to a point; thence 47° to the right in a Northwesterly direction a distance of 284 feet, more or less, to the POINT OF BEGINNING.

This instrument was prepared by:

E. Alston Ray
Haskell Slaughter Young & Johnston,
Professional Association
1200 AmSouth/Harbert Plaza
1901 Sixth Avenue North
Birmingham, Alabama 35203

Inst # 1992-29846

12/14/1992-29846
08:59 AM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
048 MJS 124.00