
TRUST INDENTURE

between

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

and

**AMSOUTH BANK,
as Bond Trustee**

Dated as of November 1, 1997

Relating to

\$5,000,000

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

**Variable/Fixed Rate
Revenue Bonds
(Indian Springs School Project)
Series 1997**

Inst # 1998-21184

Inst # 1998-21184

06/08/1998-21184
04:19 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
122 MCD 312.00

THIS INSTRUMENT PREPARED BY:
E. ALSTON RAY
1200 AmSouth/Harbert Plaza
Birmingham, Alabama 35203

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TRUST INDENTURE 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, and **AMSOUTH BANK**, an Alabama banking corporation having its principal corporate trust office in the City of Birmingham, Alabama;

R E C I T A L S

The party of the first part makes the following recitals of fact as the basis for the undertaking following: it is a public corporation organized and existing under the laws of the State of Alabama; by proper action it has duly authorized the issuance of the Series 1997 Bonds hereinafter referred to; and to secure payment of the principal of and the interest and premium (if any) on all bonds that may be issued hereunder, it has by proper action duly authorized the execution and delivery of this Indenture.

NOW, THEREFORE, THIS

TRUST INDENTURE

W I T N E S S E T H:

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

ARTICLE I

DEFINITIONS AND USE OF PHRASES

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

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

"Additional Bonds" means bonds of the Authority authorized in Article VIII hereof to be issued hereunder and secured hereby on a parity with the Series 1997 Bonds.

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

"Alternate Credit Facility" means any letter of credit, guarantee, standby purchase agreement or other support arrangement or security provided by the Lessee pursuant to Section 7.15 hereof.

"Authority" means The Educational Building Authority of the Town of Indian Springs Village and, subject to the provisions of Section 11.5 hereof, includes its successors and assigns and any political subdivision or public corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Authorized Authority Representative" means the person or persons at the time designated as such by written certificate furnished to the Lessee and the Bond Trustee, containing the specimen signature or signatures of such person or persons and signed on behalf of the Authority by the Chairman or the Vice Chairman of the Board of Directors of the Authority; provided, however, that no office or employee of the Lessee or the Foundation or any Affiliate of either thereof may at any time be designated as an Authorized Authority Representative.

"Authorized Board of Governors Representative" means the person or persons at the time designated as such by written certificate furnished to the Authority and the Bond Trustee, containing the specimen signature or signatures of each such person or persons and signed on behalf of the Board of Governors by the Chairman or any Vice Chairman of the Board of Governors.

"Authorized Denomination" means (i) for Series 1997 Bonds bearing interest at the Variable Rate or for Series 1997 Bonds bearing interest at a Fixed Rate for a Fixed Rate Period of 9 months or less, \$100,000 or any larger amount that is a multiple of \$5,000, and (ii) Series 1997 Bonds bearing interest at a Fixed Rate or a Fixed Rate Period of more than 9 months, \$5,000 for any integral multiple thereof.

"Authorized Lessee Representative" means the person or persons at the time designated as such by written certificate furnished to the Authority and the Bond Trustee, containing the

specimen signature or signatures of such person or persons and signed on behalf of the Lessee by the Chairman, any Vice Chairman, the President or any Vice President of the Lessee.

"Available Moneys" means moneys as to which Bankruptcy Counsel has rendered a legal opinion, in form and substance acceptable to each Rating Agency, that the application of such moneys to the payment of the principal of or the interest or premium (if any) on the Bonds covered by such legal opinion will not constitute a fraudulent or preferential payment upon the occurrence of an Event of Bankruptcy.

"Bankruptcy Counsel" means Independent Counsel having recognized expertise and experience in bankruptcy and insolvency matters and acceptable to each Rating Agency for purposes of rendering the legal opinions regarding Available Moneys referred to in Sections 10.1 and 10.2 hereof.

"Base Rate" means the rate of interest publicly announced by the Bond Trustee from time to time as its "Base Rate." The Base Rate is not necessarily the lowest rate charged by such bank to commercial borrowers.

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

"Board of Governors" means the Board of Governors of the Alabama Educational Foundation established under the Woodward Will.

"Bond Counsel" means Independent Counsel having nationally recognized standing in matters relating to the validity of securities issued by or on behalf of states or political subdivisions thereof.

"Bond Fund" means the fund created by Section 10.1 into which moneys are to be deposited and out of which disbursements are to be made for paying the principal of and interest on the Series 1997 Bonds in the manner and for the purposes specified in Article VII and consisting of three accounts, namely, the Primary Account, the Escrow Account and the Letter of Credit Account.

"Bond Payment Date" means each date (including any date fixed for redemption of Bonds) on which Debt Service is payable on the Bonds.

"Bond Purchase Fund" means the fund established pursuant to Section 10.2.

"Bondholder" means the Holder of a Bond.

"Bonds" means all bonds of the Authority issued under the Indenture; i.e., the Series 1997 Bonds and all Additional Bonds which may from time to time be issued under the Indenture.

"Bond Trustee" means the party of the second part hereto and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Business Day" means any day other than (i) a Saturday or Sunday; (ii) a day on which banking institutions are required or authorized to remain closed in (A) the city in which the Principal Office of the Bond Trustee is located, (B) the city in which the Principal Office of the Remarketing Agent is located, or (C) the city in which the office of the Credit Obligor where drawings under the Letter of Credit are to be made is located, or (iii) a day on which the payment system of the Federal Reserve System is not operational.

"Cap Rate" means the lesser of (i) the rate of 10% per annum or (ii) for any period during which the Series 1997 Bonds are supported by a Letter of Credit, the maximum rate per annum, specified therein, upon which there has been calculated the amount available to be drawn on such Letter of Credit to pay interest on the Series 1997 Bonds.

"Cede" means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

"Code" means the Internal Revenue Code of 1986, as amended, or successor federal tax law at the time in force and effect.

"Completion Date" means the date on which the completion of the Project Development Work and the satisfaction of the other conditions referred to in Section 4.6 of the Lease are certified to the Bond Trustee and the Authority in accordance with the provisions of said Section 4.6.

"Construction Fund" means Indian Springs School Project Construction Fund created in Section 9.2 hereof.

"Conversion Date" means the first day of any Fixed Rate Period.

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

"Credit Agreement" means the Credit Agreement between the Lessee and the Foundation and the Credit Obligor dated as of November 1, 1997, pursuant to which the Letter of Credit has been issued by the Credit Obligor and delivered to the Bond Trustee, and any and all

modifications, alterations, amendments and supplements thereto, and, with respect to any Alternate Credit Facility, the agreement specifying the terms of such facility with the bank or other institution providing the same.

"Credit Agreement Event of Default" means an "Event of Default" under and as defined in the Credit Agreement.

"Credit Factors" means (i) to the extent applicable, market interest rates for comparable securities (i.e., outstanding tax exempt bonds with interest periods, maturities and demand purchase options substantially identical to the Series 1997 Bonds) held by mutual funds, unit investment trusts or similar institutional investors with substantial portfolios; (ii) other financial market rates and indices which may have a bearing on the interest rate to be borne by the Series 1997 Bonds (including market rates borne by commercial paper, tax-exempt commercial paper, United States Treasury obligations, commercial bank prime rates, the London Interbank Offered Rate, indices maintained by *The Bond Buyer*, and other publicly available tax-exempt rate indices); (iii) general financial market conditions; and (iv) factors particular to the Project or the credit standing of the Lessee and the Foundation or the Credit Obligor.

"Credit Obligor" means AmSouth Bank, an Alabama banking corporation, in its capacity as issuer of the Letter of Credit, its successors in such capacity and their assigns. If an Alternate Credit Facility has been provided to the Bond Trustee in accordance with Section 7.15 hereof, any reference to the Credit Obligor shall, unless the context requires otherwise, include reference to the bank, insurance company or other institution that provides such Alternate Credit Facility and its successors and assigns.

"Debt Service" means the principal of and interest and premium (if any) payable on the Bonds.

"Determination of Taxability" means a determination, made in accordance with the provisions of Section 5.4 of the Lease, that the interest payable on any Series 1997 Bond is not Tax-Exempt to the owner thereof.

"Directors" means the Board of Directors of the Authority.

"DTC" means The Depository Trust Company, New York, New York, and its successors and assigns.

"DTC Participants" means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Series 1997 Bonds as securities depository.

"Eligible Investments" includes Federal Obligations and any other investments permitted by the Act.

"Event of Default" means an "Event of Default" as specified in Section 13.1 hereof.

"Event of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy, insolvency or similar proceeding) by or against the Authority or the Lessee or the Foundation under any applicable bankruptcy, insolvency, reorganization or similar law, as now or hereafter in effect.

"Event of Taxability" means an event which causes the interest income on any of the Series 1997 Bonds to become includable in gross income for federal income purposes in accordance with the provisions of Section 5.4 of the Lease.

"Excess Bond Fund Moneys" means moneys in the Bond Fund at any time, from any source, in excess of (i) the amounts required for payment of interest, premium, if any, and principal that will mature prior to the next Basic Rent payment date (as set forth in Section 5.2 of the Lease) and (ii) interest, premium, if any, and principal of Bonds that have matured but have not been presented for payment.

"Federal Obligations" means (i) direct general obligations of the United States of America, (ii) obligations full and timely payment of the principal of and the interest on which is unconditionally and irrevocably guaranteed by the United States of America, (iii) Treasury Receipts and (iv) money market funds (A) investing solely in obligations described in clauses (i), (ii) and (iii) of this definition and (B) rated by a Rating Agency not less than the rating on the Series 1997 Bonds.

"Financing Documents" means the Indenture, the Lease, the Series 1997 Guaranty and the Credit Agreement.

"Fixed Rate" means the fixed interest rate borne by the Series 1997 Bonds during a Fixed Rate Period as more particularly described in Section 7.4 hereof.

"Fixed Rate Interest Payment Date" means a date on which interest calculated according to the Fixed Rate is payable on the Series 1997 Bonds, more particularly described in Section 7.2(e) hereof.

"Fixed Rate Period" means a period specified by the Lessee during which the Series 1997 Bonds shall bear interest at a fixed rate per annum as more particularly described in Section 7.4 hereof.

"Foundation" means Indian Springs School, a nonprofit corporation organized and existing under the laws of the State of Alabama, and includes its successors and assigns and any corporation surviving or resulting from any merger or consolidation to which it or its successors may be a party.

"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 17.1 hereof and that the Indenture has been cancelled, satisfied and discharged in accordance with the provisions of said Section 17.1 hereof.

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

"Home Office Payment Agreement" means a special payment agreement between the Bond Trustee and any Bondholder complying with the provisions of Section 3.3 hereof.

"Indenture" means this Trust Indenture, as supplemented and amended by any Supplemental Indenture executed by the Authority and the Bond Trustee in accordance with the applicable provisions of Article XVI hereof.

"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, (ii) subject to the provisions of Section 2.2 hereof, all amounts owed to the Credit Obligor as subrogee of the rights of the Holders of the Series 1997 Bonds in respect of funds drawn against the Letter of Credit and (iii) all reasonable and proper fees, charges and disbursements of the Bond Trustee for services performed under the Indenture.

"Independent Counsel" means Counsel having no continuing employment or business relationship or other connection with the Authority or the Lessee or an Affiliate of either thereof which, in the opinion of the Bond Trustee, might compromise or interfere with the independent judgment of such Counsel in the performance of any services to be performed hereunder as Independent Counsel.

"Information Services" means Financial Information, Inc.'s "Daily Bond Service," 30 Montgomery Street, 10th Floor, Jersey Municipality, New Jersey 07302, Attention: Editor; Kenney Information Services' "Called Bond Service," 55 Broad Street, 28th Floor, New York, New York 10004; Moody's Investors Service's "Municipal and Government," 99 Church Street, 8th Floor, New York, New York 10007, Attention: Municipal News Reports; and Standard & Poor's "Called Bond Record," 25 Broadway, 3rd Floor, New York, New York 10004; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other services providing information with respect to called bonds, or no such services, as the Authority may designate in a certificate delivered to the Bond Trustee.

"Interest Payment Date", when used with respect to any installment of interest on a Series 1997 Bond, means the date specified in such Series 1997 Bond as the date on which such installment of interest is due and payable, and includes both Variable Rate Interest Payment Dates and Fixed Rate Interest Payment Dates.

"ISS" means Indian Springs School, a private, nonprofit secondary school that is owned and operated by the Woodward Trust.

"Issue Date" means November 26, 1997, the date of initial issuance of the Series 1997 Bonds.

"Lease" means that certain Lease Agreement dated as of November 1, 1997, between the Authority and the Lessee, as it may from time to time hereafter be modified, supplemented or amended in accordance with the provisions of Article XVI hereof.

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

"Lessee" means the party of the second part hereto acting in its capacity as testamentary trustee for the Woodward Trust and includes its successors and assigns.

"Letter of Credit" means the irrevocable, direct-pay Letter of Credit issued by the Credit Obligor to the Bond Trustee contemporaneously with the initial authentication and delivery of the Series 1997 Bonds, including any extensions thereof, provided that upon the issuance and delivery of a Substitute Letter of Credit in accordance with Section 7.14 hereof, "Letter of Credit" shall mean such Substitute Letter of Credit instead of the letter of credit for which such Substitute Letter of Credit has been substituted.

"Mandatory Tender" means a tender of Series 1997 Bonds required by Section 7.6 hereof.

"Mandatory Tender Date" means a date on which any Mandatory Tender is required, as more particularly described in Section 7.6 hereof.

"Minimum Fixed Rate" means the minimum fixed rate that may be applicable during a Fixed Rate Period, as established by the Remarketing Agent prior to the beginning of a Fixed Rate Period, more particularly described in Section 7.4 hereof.

"New Project Equipment" means (i) all items (whether or not fixtures) of furniture, furnishings, fixtures, machinery, equipment or other personal property the costs of which, in whole or in part, are paid by the Authority out of the proceeds of the Series 1997 Bonds and (ii) all items (whether or not fixtures) of furniture, furnishings, fixtures, machinery, equipment or other personal property at any time installed in or about the New Project Facilities or elsewhere on the New Project Site that are acquired by the Authority in substitution for or replacement of property theretofore constituting part of the New Project Equipment and that, under the provisions to the Lease and the Indenture, are to constitute part of the New Project Equipment. As of the delivery of the Lease, the New Project Equipment is expected to consist of those items (whether or not fixtures) of furniture, fixtures, machinery, equipment or other personal property that are generally described in Exhibit B attached to the Lease and made a part thereof.

"New Project Facilities" means those certain buildings and related improvements which are required by the Lease to be constructed on the New Project Site, as such buildings and related improvements may at any time exist.

"New Project Site" means (i) the parcels of land specifically described in Exhibit A attached to the Lease and made a part thereof and (ii) any other land that, at the time and under the terms of the Lease, constitutes a part of the New Project Site.

"Notice by Mail" or "notice" of any action or condition "by mail" means a written notice meeting the requirements of this Indenture mailed by first-class mail to the specified Bondholders at the addresses shown on the registry books of the Bond Trustee.

"Optional Tender" means a tender of Series 1997 Bonds at the option of the Holder thereof pursuant to Section 7.5 hereof.

"Optional Tender Date" means any date on which Series 1997 Bonds are to be purchased pursuant to the Optional Tender provisions of Section 7.5 hereof.

"Outstanding", when used with reference to any of the Bonds, means, at the 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 Bond Trustee under the Indenture, except (i) those of such Bonds purchased for retirement which have been delivered to and cancelled by the Bond Trustee, (ii) those of such Bonds cancelled by the Bond 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 provision shall have been made with the Bond Trustee as provided in Section 17.1 hereof, and (iv) those of such Bonds in exchange for which, or in lieu of which, other Bonds have been authenticated and delivered hereunder.

"Paying Agent" means the bank or trust company named by the Authority at whose place of business the principal of and the interest and premium (if any) on the Series 1997 Bonds are payable. The Paying Agent for the Series 1997 Bonds is the Bond Trustee.

"Permitted Encumbrances" means, as of any particular time, any of the following: (i) the Lease and the Indenture; (ii) liens imposed by law, such as mechanics', workmen's, materialmen's, carriers' and other like liens arising in the ordinary course of business, securing obligations which are not overdue or which are being contested in good faith and by appropriate proceedings (so long as there have been set aside on the books of the Lessee with respect to any such obligation so contested reserves which are adequate in the opinion of the Lessee); (iii) liens for property taxes not delinquent or for taxes which are being contested in good faith and by appropriate proceedings (so long as there shall have been set aside on the books of the Lessee with respect to any such taxes so contested reserves which are adequate in the opinion of the Lessee); and (iv) utility, access, drainage and other easements and rights-of-way, mineral rights, covenants running with the land, zoning restrictions, environmental regulations and other restrictions and encumbrances affecting the use of real property, or minor irregularities in the

title to real property, none of the foregoing of which, individually or in the aggregate, materially impair the title of the Authority to any part of the Project or the use of the Project for the purpose for which it was acquired or is held by the Authority.

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

"Pledged Bonds" means Series 1997 Bonds purchased pursuant to the Optional or Mandatory Tender provisions of this Indenture with money drawn under the Letter of Credit and held by the Tender Agent for the benefit of, registered in the name of, or delivered to the Credit Obligor, as pledgee, pursuant to Section 7.7 hereof and the Credit Agreement.

"Post-Default Rate" means (i) when used with respect to any payment of Debt Service on any Series 1997 Bond, the rate specified in this Indenture for overdue installments of Debt Service on such Series 1997 Bond, computed as provided herein, (ii) when used with respect to any payment (other than Debt Service) to be made to the Bond Trustee pursuant to the Indenture or the Lease, the per annum rate equal to 2% above the Base Rate from time to time in effect, and (iii) when used with respect to all other payments due under the Indenture or the Lease, the rate of 10% per annum (computed on the basis of a 360-day year with 12 months of 30 days each).

"premium", when used with reference to the redemption or purchase for retirement of any of the Bonds, means the amount (if any) by which the redemption or purchase price (in all cases exclusive of accrued interest) of such Bonds exceeds the principal of the Bonds so redeemed or purchased for retirement, as the case may be.

"Previous Project Equipment" means (i) all items (whether or not fixtures) of furniture, furnishings, fixtures, machinery, equipment or other personal property the costs of which, in whole or in part, are paid by the Authority out of the proceeds of the Refunded Bonds and (ii) all items (whether or not fixtures) of furniture, furnishings, fixtures, machinery, equipment or other personal property at any time installed in or about the Previous Project Facilities or elsewhere on the Previous Project Site that are acquired by the Authority in substitution for or replacement of property theretofore constituting part of the Previous Project Equipment and that, under the provisions to the Lease and the Indenture, are to constitute part of the Previous Project Equipment. As of the delivery of the Lease, the Previous Project Equipment is expected to consist of those items (whether or not fixtures) of furniture, fixtures, machinery, equipment or other personal property that are generally described in Exhibit B attached to the Lease and made a part thereof.

"Previous Project Facilities" means those certain buildings and related improvements which have heretofore been constructed on the Previous Project Site, as such buildings and related improvements may at any time exist.

"Previous Project Site" means (i) the parcels of land specifically described in Exhibit A attached to the Lease and made a part thereof and (ii) any other land that, at the time and under the terms of the Lease, constitutes a part of the Previous Project Site.

"Principal Office of the Credit Obligor" means the office of the Credit Obligor at which drawings under the Letter of Credit must be presented for payment, initially located in Birmingham, Alabama.

"Principal Office of the Registrar" means the principal corporate trust office of the Registrar, initially located in Birmingham, Alabama.

"Principal Office of the Remarketing Agent" means the office thereof designated in writing to the Authority, the Bond Trustee, the Credit Obligor and the Lessee.

"Principal Office of the Tender Agent" means the office where the Tender Agent maintains its principal office; provided, however, that if at the time the Bond Trustee is acting as the Tender Agent hereunder, then any reference herein to the Principal Office of the Tender Agent shall be deemed to refer to the Principal Office of the Bond Trustee.

"Principal Office of the Bond Trustee" means the office where the Bond Trustee maintains its principal corporate trust office in Birmingham, Alabama, or such other office as shall be designated by the Bond Trustee by written notice to the Authority, the Lessee, the Credit Obligor and the Bondholders.

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

"Project Development Costs" means the following: (i) all costs and expenses incurred in connection with the planning, development and design of the Project, including the costs of preliminary investigations, surveys, estimates and plans and specifications; (ii) all costs of acquiring, preparing and landscaping the New Project Site; (iii) all costs and expenses of constructing the New Project Facilities, including the cost to the Lessee of supervising construction, payments to contractors and materialmen and fees for professional or other specialized services; (iv) all costs and expenses of acquiring the New Project Equipment and of installing the same in or about the New Project Facilities or elsewhere on the New Project Site; (v) the costs of contract bonds and of insurance of all kinds which may be necessary or desirable in connection with the Project Development Work and which are not paid by any contractor or otherwise provided for; (vi) all expenses incurred in connection with the issuance and sale of the Series 1997 Bonds including (without limitation) all legal, accounting, financial, underwriting, printing, recording and filing fees and expenses and the initial charges of the Bond Trustee and the Credit Obligor; (vii) the charges of the Bond Trustee for the disbursement of moneys from the Construction Fund; (viii) all other costs which the Authority shall be required to pay, under the terms of any contract or contracts, in connection with the Project Development Work; (ix)

interest on the Series 1997 Bonds to the extent that the cumulative amount thereof paid out of the proceeds of the Series 1997 Bonds, together with the accrued interest received by the Authority upon the sale of the Series 1997 Bonds, does not exceed the total interest that will accrue on the Series 1997 Bonds from their date until and including the Completion Date, and (x) the reimbursement to the Lessee or to the Foundation of all amounts paid directly by the Lessee or by the Foundation in respect of any of the aforesaid costs and expenses and of all amounts advanced by the Lessee or by the Foundation to the Authority for the payment of such costs and expenses.

"Project Development Work" means (i) the acquisition of the New Project Site and the preparation and improvement thereof to the extent that the Lessee deems necessary or desirable, (ii) the planning, design and construction of the New Project Facilities in accordance with the provisions hereof and (iii) the planning, design and acquisition of the New Project Equipment and the installation thereof in or about the New Project Facilities or elsewhere on the New Project Site, all in accordance with the provisions hereof.

"Project Equipment" means (i) the Previous Project Equipment and (ii) the New Project Equipment.

"Project Facilities" means (i) the Previous Project Facilities and (ii) the New Project Facilities.

"Project Site" means (i) the Previous Project Site and (ii) the New Project Site.

"Proposed Conversion Date" means a date proposed by the Lessee pursuant to Section 7.4 hereof as a Conversion Date with respect to the Series 1997 Bonds.

"Qualifying Project Development Costs" means Project Development Costs that are expended solely for the exempt purposes of the Lessee within the meaning of Section 145 of the Code and the applicable regulations thereunder.

"Rating Agency" means any nationally recognized securities rating agency.

"Record Date" means (i) with respect to any Variable Rate Interest Payment Date, the day immediately prior to such Interest Payment Date; (ii) with respect to any Fixed Rate Interest Payment Date for a Fixed Rate Period of less than six months, the day immediately prior to such Fixed Rate Interest Payment Date; and (iii) with respect to any Fixed Rate Interest Payment Date for a Fixed Rate Period of six months or more, the 15th day (whether or not a Business Day) next preceding such Fixed Rate Interest Payment Date.

"Refunded Bonds" means the School Revenue Bonds (Indian Springs School Project), Series 1992, heretofore issued by the Authority and currently outstanding in the approximate principal amount of \$2,193,000.

"Remarketing Agent" means Porter, White & Company, Inc., and any permitted successor thereto as remarketing agent.

"Remarketing Agreement" means that certain Remarketing Agent Agreement dated as of November 1, 1997, among the Lessee, the Authority, the Bond Trustee and the Remarketing Agent.

"Representation Letter" means the representation letter in customary form from the County and the Trustee to DTC.

"Resolution" means a resolution duly adopted by the Directors.

"Responsible Officer of the Bond Trustee" means the chairman of the board of directors, the president, any vice president, any assistant vice president, the cashier, any assistant cashier, any trust officer, and any officer and assistant officer of the Bond Trustee, to whom any corporate trust matter is referred because of his knowledge of and familiarity with a particular subject.

"Retention Notice" means a notice by which a Bondholder elects not to tender his Series 1997 Bond for purchase on a Mandatory Tender Date as more particularly described in Section 7.6 hereof.

"Revenues" means the income, charges and moneys realized by the Authority or the Bond Trustee from the lease, sale or other disposition of the Project, including all rentals and other sums to be received under the Lease, and any moneys received by the Bond Trustee pursuant to the Letter of Credit or as a result of the remarketing of any of the Bonds.

"Securities Depositories" means: The Depository Trust Company, 711 Stewart Avenue, Garden Municipality, New York 11530, Fax—(516) 227-4039 or 4190; Midwest Securities Trust Company, Capital Structures—Call Notification, 440 South LaSalle Street, Chicago, Illinois 60605, Fax—(312) 663-2343; Philadelphia Depository Trust Company, Reorganization Division, 1900 Market Street, Philadelphia, Pennsylvania 19103, Attention: Bond Department, Fax—(215) 496-5058; or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories, or no such depositories, as the Authority may designate in a certificate delivered to the Bond Trustee.

"Series 1997 Bonds" means those of the Bonds bearing the designation Variable/Fixed Rate Revenue Bonds (Indian Springs School Project), Series 1997, authorized to be issued in Article VII hereof.

"Series 1997 Guaranty" means that certain Guaranty Agreement dated as of November 1, 1997, between the Lessee and the Bond Trustee in and by which the Lessee has unconditionally guaranteed the payment by the Authority of the principal of and the interest and

premium (if any) on the Series 1997 Bonds, as such Guaranty Agreement may from time to time be amended in accordance with the provisions thereof.

"State" means the State of Alabama.

"Stated Expiration Date" means the date on which the Letter of Credit or any Alternate Credit Facility will, by its terms, expire unless the Letter of Credit or Alternate Credit Facility is terminated on an earlier date in accordance with its terms.

"Substitute Letter of Credit" means a letter of credit that conforms with the requirements of Section 7.14 hereof.

"Supplemental Indenture" means an agreement supplementing or amending the Indenture.

"Taxability Redemption Date" means the date on which all then Outstanding Series 1997 Bonds are required to be redeemed, pursuant to the provisions of subsection (b) of Section 7.8 of the Indenture, as the result of a Determination of Taxability.

"Taxable" means not Tax-Exempt.

"Tax-Exempt" means, with respect to interest on any obligations of a state or local government, including the Series 1997 Bonds, that such interest is excluded from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax, foreign branch profit tax, or environmental or any other type of taxation other than the regular tax imposed on gross income under the Code.

"Tender Agent" means the Bond Trustee and any person appointed as a successor or additional Tender Agent by the Authority.

"Tender Date" means an Optional Tender Date or a Mandatory Tender Date, as the case may be.

"Tendered Series 1997 Bonds" means Series 1997 Bonds tendered (or deemed tendered) for purchase pursuant to the Optional or Mandatory Tender provisions of this Indenture.

"Treasury Receipts" means custodial receipts evidencing ownership in future principal or interest payments, or both, with respect to United States Treasury obligations that have been deposited with a custodian pursuant to a custody agreement which provides for the United States Treasury obligations underlying such custodial receipts to be held in a separate account and for all payments of principal and interest received by such custodian with respect to such underlying obligations to be immediately paid to the holders of such custodial receipts in accordance with their respective ownership interests in such underlying obligations, provided that (i) the custodian

issuing such custodial receipts shall be a bank that is acceptable to the Bond Trustee, that is organized under the laws of the United States of America or any state thereof, and that, at the time of the issuance of such custodial receipts, shall have capital, surplus and undivided profits in excess of \$100,000,000 and (ii) the custody agreement pursuant to which such custodial receipts are issued shall be acceptable to Bond Counsel.

"Trust Estate" means all properties, moneys, rights and interests that were granted, conveyed, assigned, transferred and pledged to and with the Bond Trustee in Section 2.1 hereof or that are in any way subject to the lien of the Indenture.

"Unsurrendered Bond" means Series 1997 Bonds (or portions thereof in Authorized Denominations) that are deemed purchased pursuant to Optional or Mandatory Tender provisions hereof, but which have not been presented to the Bond Trustee by the Holders thereof.

"Variable Rate" means the variable interest rate borne by the Series 1997 Bonds during a Variable Rate Period as more particularly described in Section 7.3 hereof.

"Variable Rate Interest Payment Date" means a date on which interest calculated at the Variable Rate is payable on the Series 1997 Bonds as more particularly described in Section 7.2 hereof.

"Variable Rate Period" means a period during which the Series 1997 Bonds bear interest at the Variable Rate as more particularly described in Section 7.3 hereof.

"Woodward Trust" means that certain testamentary trust created under the Last Will and Testament of Harvey G. Woodward, Deceased, providing, among other things, for the establishment and operation of ISS.

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

Section 1.3 Use of Phrases. "Herein", "hereby", "hereunder", "hereof", "hereinbefore", "hereinafter", and other equivalent words refer to the Indenture as an entirety and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.1 hereof include both singular and plural. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders. Any percentage or fractional amount of all the Bonds or of the Bonds of any series, specified herein for any purpose, is to be figured on the aggregate principal amount of all the Bonds or of the Bonds of such series, as the case may be, then Outstanding.

ARTICLE II

GRANTING CLAUSES

Section 2.1 Granting Clauses. In order to secure to the Holders thereof payment of the principal of and the interest and premium (if any) on the Bonds and the performance and observance of the covenants and conditions herein and therein contained, and in consideration of their purchase and acceptance of the Bonds and of the acceptance by the Bond Trustee of the trusts herein provided, the Authority does hereby grant, bargain, sell and convey, assign, transfer and pledge to and with the Bond Trustee the following described properties of the Authority, whether the same are now owned by it or may be hereafter acquired:

I

The moneys required by the Lease or the Indenture to be deposited in the Construction Fund, together with any investments and reinvestments of such moneys and the proceeds thereof, subject, however, to the disbursement and use thereof for the payment of Project Development Costs in accordance with the provisions of the Lease and the Indenture;

II

The Basic Rent and all other revenues and receipts derived by the Authority from the leasing or sale of the Project (excluding, however, moneys paid by the Lessee pursuant to Section 5.2 or 10.4 of the Lease to reimburse the Authority for its expenses or to pay such expenses directly for its account), all other moneys required by the Lease or the Indenture to be deposited from time to time in the Bond Fund, and all other moneys from time to time held by the Bond Trustee for the benefit of the Bondholders pursuant to the Indenture, together in each case with any investments and reinvestments of such moneys and the proceeds thereof;

III

All right, title and interest of the Authority in and to the Lease [except (i) the right to require the Lessee to pay certain expenses incurred by the Authority as provided in Sections 5.2 and 10.4 of the Lease, (ii) the release and indemnification rights of the Authority contained in Section 8.2 of the Lease, and (iii) any other rights personal to the Authority which are expressly provided in the Lease to be exercised by the Authority], but not including, however, any of the obligations of the Authority thereunder; and

IV

Any and all moneys, rights and properties of every kind or description which may from time to time hereafter be sold, transferred, conveyed, assigned, hypothecated, endorsed, deposited, pledged, mortgaged, granted or delivered to, or deposited with, the Bond Trustee by the Authority or anyone on its part as additional security for the payment of all or any specified series of the Bonds, or which pursuant to any of the provisions hereof or of the Lease, may come into the possession or control of the Bond Trustee as such additional security; and the Bond Trustee is hereby authorized to receive any and all such moneys, rights and properties as and for additional security for the payment of all or any specified series of the Bonds and to hold and apply the same subject to the terms hereof;

TO HAVE AND TO HOLD the same unto the Bond Trustee, its successor trustees and assigns forever, subject to Permitted Encumbrances; IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the protection and benefit of (i) the Holders, present and future, of the Bonds, equally and ratably, without preference, priority or distinction of any over others by reason of priority in issuance or acquisition or otherwise, as if all the Bonds at any time Outstanding had been executed, sold, authenticated, delivered and negotiated simultaneously with the execution and delivery hereof (subject, however, to the conditions contained herein requiring the preferential application of certain moneys with respect to the various series of the Bonds, and subject further to the right and duty of the Bond Trustee to apply solely for the benefit of the Holders of any particular series of the Bonds all moneys, rights and properties that are pledged or otherwise contractually obligated for the sole and exclusive benefit of the Holders of such particular series of the Bonds, including, without limitation, all moneys received pursuant to, or as a result of the enforcement of, the Series 1997 Guaranty or the Letter of Credit or any Alternate Credit Facility, which moneys shall be applied by the Bond Trustee solely for the payment of the principal of and the interest on the Series 1997 Bonds or for their purchase in accordance with the terms thereof) and (ii) the Credit Obligor, to the extent provided in Section 2.2 hereof;

Provided, however, that this Indenture is upon the condition that if the Authority shall pay or cause to be paid the principal of and the interest and premium (if any) on all Bonds secured hereby at the times and in the manner provided in the Bonds, according to the true intent and meaning thereof, or shall provide for such payment as specified in Section 17.1 hereof, and shall pay or cause to be paid all other Indenture Indebtedness, and if the Lessee and the Foundation shall reimburse the Credit Obligor for all amounts drawn under the Letter of Credit and shall pay the interest (if any) payable under the Credit Agreement with respect to the amounts so drawn, then the Indenture and the estate and rights granted hereby shall cease, determine and be void; otherwise the Indenture shall be and remain in full force and effect.

Section 2.2 Subrogation Rights of Credit Obligor. The Credit Obligor shall be subrogated to all rights theretofore possessed under the Indenture by the Holders of the Series 1997 Bonds if the principal thereof or the interest thereon or the purchase price thereof due with

respect to any mandatory purchase hereunder shall have been paid with funds provided by the Credit Obligor pursuant to the Letter of Credit, but only to the extent that the Lessee and the Foundation have not theretofore paid to the Credit Obligor under the Credit Agreement the amounts due thereunder in respect of the payment of the said principal and interest or purchase price by the Credit Obligor. As limited by the provisions hereof, the subrogation rights of the Credit Obligor arising from the payments made pursuant to the Letter of Credit to provide for the payment of the principal of or interest on or the purchase price of any of the Series 1997 Bonds shall be on a parity with the rights of all other Holders of Series 1997 Bonds at any time Outstanding.

If the principal of or the interest on any Series 1997 Bond or the purchase price thereof due with respect to any mandatory purchase hereunder is paid with funds provided by the Credit Obligor pursuant to the Letter of Credit and if the Lessee and the Foundation have not theretofore paid to the Credit Obligor under the Credit Agreement the amounts due thereunder in respect of such letter of credit payment, then, insofar as the subrogation rights of the Credit Obligor are concerned, such Series 1997 Bond shall, at the option of the Credit Obligor, be deemed to be in default with respect to the said principal, interest or purchase price until all amounts paid in respect thereof under the Letter of Credit shall have been repaid to the Credit Obligor, and the Credit Obligor may exercise all rights which it would have under the Indenture as the Holder of the said Series 1997 Bond then in default as to the payment of such principal, interest, premium or purchase price.

Anything contained herein to the contrary notwithstanding, the payment of all amounts due the Credit Obligor in respect of its subrogation rights under the Indenture shall be secured by the Indenture on a parity with the principal of and interest and premium on all Bonds which are then deemed to be Outstanding for reasons other than the extent to which they evidence subrogation rights of the Credit Obligor, and the Credit Obligor shall, to the extent of the amount due in respect of its subrogation rights, be entitled to share all moneys derived from the Trust Estate with the Persons to whom such principal and interest and premium shall be due ratably and in proportion to the amounts respectively due to the Credit Obligor and to each of such Persons.

The Credit Obligor may exercise all its subrogation rights under the Indenture in respect of any Series 1997 Bonds without the necessity of possessing any of the Series 1997 Bonds or producing the same in any judicial or other proceeding related to the enforcement of its rights in respect thereof. Nevertheless, in order to evidence the subrogation rights acquired in respect of any Series 1997 Bonds paid or purchased with funds provided pursuant to the Letter of Credit, the Credit Obligor may require the Bond Trustee to transfer to it all Series 1997 Bonds surrendered for payment or purchase with funds provided pursuant to the Letter of Credit or to issue to it new Series 1997 Bonds of like tenor with those so surrendered. The subrogation rights granted to the Credit Obligor in this Indenture are not intended to be exclusive of any other remedy or remedies available to the Credit Obligor, and such subrogation rights shall be cumulative and shall be in addition to (i) every other remedy given hereunder or under the Credit Agreement or any other instrument or agreement with respect to the reimbursement of

moneys paid by the Credit Obligor pursuant to the Letter of Credit and (ii) every other remedy now or hereafter existing at law or in equity or by statute.

ARTICLE III

DESCRIPTION OF BONDS

Section 3.1 Issuance of Bonds in Series. The Bonds may be issued in different series, and each Bond shall have an appropriate series designation. All the Bonds of every series shall be equally and ratably secured by the Indenture (subject, however, to the rights granted to the Credit Obligor under Section 2.2 hereof), it being expressly understood and agreed that no Bonds issued hereunder shall be prior to any other Bonds thereafter issued hereunder, but shall be on a parity therewith with respect to the security afforded by the Indenture. It is expressly understood and agreed, however, that the Series 1997 Guaranty, the Letter of Credit and any Alternate Credit Facility shall be for the exclusive benefit of the Holders of the Series 1997 Bonds and all moneys received by the Bond Trustee under the aforesaid instruments shall be applied solely for the payment of the principal of and interest on the Series 1997 Bonds or for their purchase in accordance with the terms thereof.

Section 3.2 Dates and Places of Payment of Bonds. Subject to any applicable provisions pertaining to the dating of Bonds issued pursuant to the provisions of either Section 5.1 or 5.2 hereof, the Bonds of each series shall bear such date or dates as shall be specified in the Indenture or Supplemental Indenture under which such series is issued. Subject to compliance with the Act, the Bonds of each series shall mature on such dates and in such amounts, shall be subject to redemption on such dates and on such terms and conditions, and shall bear interest for such periods, at such rate or rates (whether variable or fixed) and payable on such dates, all as shall be specified, prior to the issuance of such Bonds, in this Indenture or in the Supplemental Indenture under which such Bonds shall be issued. All installments of principal of and interest and premium (if any) on each series of the Bonds shall bear interest after the respective due dates of such principal, interest and premium (if any) until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Bond Trustee, whichever first occurs, at such per annum rate or rates and subject to such grace period (if any) as shall be specified prior to their issuance. The principal of and the interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

The principal of and the premium (if any) on the Bonds shall be payable at the principal corporate trust office of the Bond Trustee, upon presentation and surrender of the Bonds as the same become due. In case any Bond is called for partial redemption, the redemption price of the principal thereof so called for redemption shall be payable at the principal corporate trust office of the Bond Trustee (a) upon presentation and surrender of such Bond in exchange for a new Bond or Bonds of the same series and in authorized denominations having an aggregate principal

amount equal to the unredeemed portion of the principal of the Bond so surrendered, or (b) upon presentation of such Bond for an appropriate endorsement by the Bond Trustee of such partial redemption on such Bond or on any record of partial redemptions appertaining thereto and constituting a part thereof. The preceding two sentences of this paragraph notwithstanding, (i) the redemption price of any partial redemption of the principal of any of the Series 1997 Bonds may be paid to the Holders thereof pursuant to a Home Office Payment Agreement and (ii) if the Supplemental Indenture under which any series of Additional Bonds is issued so provides, the redemption price of any partial redemption of the principal of any of such Additional Bonds may be paid to the Holders of such Additional Bonds pursuant to a Home Office Payment Agreement. Subject also to the right of the respective Holders of the Series 1997 Bonds and any Additional Bonds (if, in the case of Additional Bonds, the Supplemental Indenture under which they are issued so permits) to have the interest thereon paid pursuant to a Home Office Payment Agreement, the interest on the Bonds shall be paid by check or draft mailed or otherwise delivered by the Bond Trustee to the respective Holders thereof as of the applicable Record Date at their addresses as they appear on the registry books of the Bond Trustee pertaining to the registration of the Bonds. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date).

Section 3.3 Home Office Payment Agreements. Any provision hereof to the contrary notwithstanding, the Bond Trustee will, at the request of the Holder of any Bond issued in a principal amount of not less than \$500,000, enter into a special payment agreement with such Holder providing for the payment of the interest on such Bond and the redemption price of any partial redemption of the principal thereof through wire transfers, crediting of bank accounts or other arrangements involving the rapid transfer of funds from bank to bank, but any such agreement shall be subject to the following conditions:

(a) The terms and conditions of such agreement shall be satisfactory to the Bond Trustee;

(b) The final payment of the principal of and premium (if any) on such Bond shall be made only upon the surrender thereof to the Bond Trustee;

(c) If such agreement provides for the partial redemption of the principal of such Bond without the surrender thereof in exchange for one or more new Bonds in an aggregate principal amount equal to the unredeemed portion of such Bond, then such agreement

(i) shall provide that the Holder of such Bond will not sell, pledge, transfer or otherwise dispose of such Bond unless prior to the delivery thereof it shall (A) surrender the same to the Bond Trustee in exchange for a new Bond or Bonds in an aggregate principal amount equal to the aggregate unpaid principal of such Bonds or (B) notify the

Bond Trustee in writing of such sale, pledge, transfer or other disposition and deliver to the Bond Trustee a certificate certifying to the Bond Trustee that endorsement has been made on such Bond, or on a record of partial redemption appertaining thereto and constituting a part thereof, of all portions of the principal of each such Bond which have been redeemed, and

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

(d) Such agreement shall provide that if moneys are on deposit in the Bond Fund, on or before any Interest Payment Date or any date fixed for redemption, sufficient to pay the interest on the Bonds due on such Interest Payment Date or the redemption price of any Bonds called for redemption on such date fixed for redemption, as the case may be, then the failure of the Holder of any such Bonds to receive in a timely manner any payment due such Holder on such Interest Payment Date or date fixed for redemption, as the case may be, because of a mistake, delay or other failure in the implementation of the method of payment prescribed by such Holder in such agreement shall not constitute an Event of Default, provided such mistake, delay or other failure is not due to the negligence of the Authority or the Lessee.

The Supplemental Indenture under which any Additional Bonds are issued may provide that the provisions of this section shall not apply to such Additional Bonds.

Section 3.4 Form of Bonds, Etc. The Series 1997 Bonds and the various certificates applicable thereto shall be in substantially the forms respectively provided therefor in Section 7.10 hereof. The Bonds of each series of Additional Bonds and the various certificates and endorsements applicable thereto shall be in substantially the forms respectively provided therefor in the Supplemental Indenture under which such Additional Bonds are issued.

ARTICLE IV

EXECUTION AND AUTHENTICATION OF THE BONDS

Section 4.1 Execution of Bonds. The Bonds shall be executed by the Chairman or the Vice Chairman of the Directors, and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority (or such other official of the Authority as is empowered to attest Authority documents); provided that the signature of the Chairman or the Vice Chairman of the Directors and the signature of the Secretary of the Authority (or other official as aforesaid) may be facsimiles of the signatures of such officers so long as the signature of the officer of the Bond Trustee authenticating the Bonds in accordance with the provisions of Section 4.2 hereof is manually subscribed thereon; and provided further that a facsimile of the seal of the Authority may be imprinted on the Bonds rather than manually affixed thereto. Signatures on the Bonds by persons who were officers of the Authority at the time such signatures were written or printed shall continue effective although such persons cease to be such officers prior to the authentication of the Bonds or the delivery thereof.

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

If at any time the Bond Trustee is not serving as the Tender Agent for the Series 1997 Bonds, the Bond Trustee may authorize the bank or trust company then serving as the Tender Agent to act as its agent for the purpose of authenticating Series 1997 Bonds. Following any such grant of authority from the Bond Trustee to the Tender Agent, the execution of an authentication certificate on a Series 1997 Bond by the Tender Agent shall have the same force and effect as the execution of such authentication certificate by the Bond Trustee.

Section 4.3 Replacement of Mutilated, Lost, Stolen or Destroyed Bonds. In the event any Bond is mutilated, lost, stolen or destroyed, the Authority may execute, and the Bond Trustee shall thereupon authenticate and deliver, a new Bond of like tenor as that mutilated, lost, stolen or destroyed; provided that (i) in the case of any such mutilated Bond, such Bond is first surrendered to the Bond Trustee, and (ii) in the case of any such lost, stolen or destroyed Bond, there is first furnished to the Authority, the Bond Trustee, the Credit Obligor and the Lessee evidence of such loss, theft or destruction satisfactory to the Bond Trustee, together with indemnity satisfactory to each of them. The Authority and the Bond Trustee may charge the

Holder with the expenses of issuing any such new Bond. In lieu of issuing a new Bond to replace any mutilated, lost, stolen or destroyed Bond which shall have already matured, the Bond Trustee may pay such Bond at or after the maturity thereof if the Holder of such Bond satisfies the same terms and conditions as those provided in the preceding provisions of this section for the replacement of such Bond.

ARTICLE V

REGISTRATION, TRANSFERS AND EXCHANGES OF THE BONDS

Section 5.1 Registration and Transfer of Bonds. The Bond Trustee shall be the registrar and transfer agent of the Authority and shall keep at its principal corporate trust office proper registry and transfer books in which it will note the registration and transfer of such Bonds as are presented for those purposes, all in the manner and to the extent hereinafter specified.

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

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

The Bond Trustee shall not be required to transfer any Bond during the period between any Record Date applicable to such Bond and the Interest Payment Date to which such Record Date is related or, if such Bond is duly called for redemption (in whole or in part), during the

period of forty-five (45) days next preceding the date fixed for such redemption; provided, however, that the Bond Trustee will transfer at any time during regular business hours any Pledged Bonds.

Section 5.2 Exchange of Bonds. The Bonds of each series shall be freely exchangeable within the limits provided in the Indenture or Supplemental Indenture under which such series is issued; provided, however, that under no circumstances shall a Bond be issuable in exchange for other Bonds unless all the Bonds being so exchanged are of the same series, bear interest at the same rate and have the same stated maturity. Upon the request of the Holder of any Bond in a principal amount greater than the minimum authorized denomination applicable to the series to which such Bond belongs, the Authority shall execute, and the Bond Trustee shall thereupon authenticate and deliver, upon surrender to the Bond Trustee of such Bond and in exchange therefor, two or more Bonds of like tenor as the Bond so surrendered and in authorized denominations aggregating the same principal amount as the Bond so surrendered. Upon the request of the Holder of two or more Bonds the Authority shall execute, and the Bond Trustee shall thereupon authenticate and deliver, upon surrender to the Bond Trustee of such Bonds and in exchange therefor, a new Bond or Bonds of like tenor in different authorized denominations and aggregating the same principal amount as the then unpaid principal amount of the Bonds so surrendered. Any Bonds surrendered for exchange pursuant to the provisions of this section shall be accompanied by a written power to transfer signed by the Holder thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Bond Trustee.

The Bond Trustee shall not be required to exchange any Bond pursuant to the provisions of this section during the period between any Record Date applicable to such Bond and the Interest Payment Date to which such Record Date is related or, if such Bond shall be duly called for redemption (in whole or in part), during the period of forty-five (45) days next preceding the date fixed for such redemption; provided, however, that the Bond Trustee will exchange at any time during regular business hours any Pledged Bonds.

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

Section 5.4 Expenses of Transfer and Exchange. The Authority and the Bond Trustee may charge the Lessee (but not the Holder) with their reasonable fees and expenses in

connection with any transfer or exchange of any of the Bonds. In every case involving any transfer or exchange of any of the Bonds that is requested by the Holder thereof, such Holder shall pay all taxes and other governmental charges required to be paid in connection with such transfer or exchange.

ARTICLE VI

GENERAL PROVISIONS RESPECTING REDEMPTION OF BONDS

Section 6.1 Manner of Effecting Redemption of Bonds. Any redemption of any Bonds of any series shall be effected in the following manner:

(a) Call. The Directors shall adopt a Resolution containing the following: (1) a call for redemption, on a specified date when they are by their terms subject to redemption, of Bonds bearing a stated series designation or designations and stated numbers (and, in the case of the partial redemption of any Bonds, the respective principal amounts thereof to be redeemed); (2) unless all the Bonds then Outstanding are to be redeemed (or unless a portion of all such Outstanding Bonds are to be redeemed and the remainder are, simultaneously with or prior to such redemption, to be otherwise retired), a statement that no Event of Default has occurred and is continuing; and (3) a summary of all applicable restrictions upon or conditions precedent to such redemption and the provisions made to comply therewith; provided, however, that it shall not be necessary for the Directors to adopt any such Resolution (i) in the case of Series 1997 Bonds that are to be redeemed pursuant to the provisions of Section 7.8(c) or 7.8(d) hereof, provided that the Lessee shall have requested such redemption by a written request furnished to the Authority and the Bond Trustee and shall have specified in such request the principal amount of Series 1997 Bonds to be so redeemed and the date on which the redemption thereof is to be effected, or (ii) in the case of any redemption of Bonds of any series of Additional Bonds, if such redemption is required by the terms of the Supplemental Indenture under which such series of Additional Bonds is issued or if, in such Supplemental Indenture, the adoption of such Resolution is expressly stated to be unnecessary.

(b) Notice by Registered or Certified Mail. With respect to any Bonds called for redemption, in whole or in part, the Bond Trustee (on behalf of the Authority) shall cause to be forwarded by United States registered or certified mail to the Holder thereof, at the address of such Holder as such address appears on the registry books of the Bond Trustee pertaining to the Bonds, a notice stating the following: that Bonds bearing stated numbers and a stated series designation or designations (and, in the case of the partial redemption of any Bonds, the

respective principal amounts thereof to be redeemed) have been called for redemption and will become due and payable at the applicable redemption price or redemption prices on a specified redemption date, and that all interest thereon will cease after such redemption date if prior to such date, or not later than 10:00 o'clock, a.m., on such date, the total redemption price of the Bonds (or portions thereof) so called for redemption, together with the accrued interest thereon to such date, has been deposited with the Bond Trustee. So long as the Letter of Credit remains in effect, any such notice of redemption pertaining to some or all of the Series 1997 Bonds shall be mailed to the Credit Obligor, as well as the Holders of the Series 1997 Bonds called for redemption in whole or in part. Such notice shall be so mailed not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption, but Holders of any Bonds may waive the requirements of this subsection with respect to the Bonds held by them without affecting the validity of the call for redemption of any other Bonds. In the case of a proposed optional redemption pursuant to the provisions of Section 7.8(c) hereof during any Fixed Rate Period of more than five (5) years, the Bond Trustee shall not forward the notice provided for in this paragraph (b) unless and until either (i) the deposit of all moneys required for the payment of such redemption price (including principal, interest and premium (if any)) shall have been made pursuant to the provisions of paragraph (c) of this Section 6.1 or (ii) such notice of redemption shall expressly provide that the redemption is conditioned upon the receipt of such redemption price (including principal, interest and premium (if any)) from Available Moneys and that if such Available Moneys in the full amount of such redemption price shall not have been received by the specified redemption date, then such redemption shall be cancelled.

(c) Deposit. Prior to the date fixed for redemption (or such earlier date as may be applicable under the provisions of the last sentence of paragraph (b) of this Section 6.1) the Authority shall deposit or cause to be deposited with the Bond Trustee the total redemption price of the Bonds (or portions thereof) so called for redemption (as such redemption price is specified herein or in the Supplemental Indenture under which such Bonds are issued) in funds that will be immediately available no later than the opening of business on the date fixed for redemption and shall furnish to the Bond Trustee the following: (i) a certified copy of the Resolution required by subsection (a) of this section (if, under the circumstances, the adoption of any such Resolution is required); and (ii) when such redemption is made subject, by the terms of the Indenture or any Supplemental Indenture, to any other restriction or requirement, evidence satisfactory to the Bond Trustee showing compliance with such restriction or requirement.

Section 6.2 Presentation of Bonds for Redemption; Bonds Called for Redemption to Cease to Bear Interest. Upon compliance by the Authority and the Bond Trustee with the requirements of Section 6.1 hereof [and, unless all the Bonds then Outstanding are to be

redeemed (or unless a portion of such Outstanding Bonds are to be redeemed and the remainder are, simultaneously with or prior to such redemption, to be otherwise retired), if the Authority is not on the redemption date in default in payment of the principal of or the interest (or premium, if any) on any of the Bonds], the Bonds so called for redemption (or, in the case of any Bonds called for partial redemption, the portions thereof called for redemption) shall become due and payable at the place or places at which the same shall be payable at the redemption price or prices and on the redemption date specified in such notice, anything herein or in the Bonds to the contrary notwithstanding and the Holders thereof shall then and there surrender them for redemption; provided, however, that with respect to any Bond called for partial redemption, (i) the Holder thereof shall surrender such Bond to the Bond Trustee in exchange for one or more new Bonds of authorized denominations in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered or (ii) such Holder shall, in lieu of surrendering such Bond in exchange for a new Bond or Bonds, present the same to the Bond Trustee for endorsement thereon (or on any record of partial redemptions appertaining thereto and constituting a part thereof) of the payment of the portion of the principal thereof so redeemed. The preceding sentence to the contrary notwithstanding, the partial redemption of the Series 1997 Bonds (and, if the Supplemental Indenture under which any series of Additional Bonds is issued so provides, the partial redemption of the Additional Bonds of such series as well) shall be subject to such Home Office Payment Agreements as may from time to time be in effect with respect thereto pursuant to the provisions of Section 3.3 hereof. All future interest on the Bonds so called for redemption (or, in the case of any Bonds called for redemption in part, the portions thereof called for redemption) shall, subject to the deposit required by subsection (c) of Section 6.1 hereof having been made, cease to accrue after the date fixed for redemption. The Bonds so called (or, in the case of any Bonds called for redemption in part, the portions thereof called for redemption) shall, subject to such deposit having been made, no longer be entitled to the benefit of the lien hereof but shall look solely to the moneys deposited with the Bond Trustee under the provisions of this article; and out of the moneys so deposited with it, the Bond Trustee shall pay on the redemption date the applicable redemption price or prices of the Bonds so called for redemption (or, in the case of any Bonds called for redemption in part, the portions thereof called for redemption).

Section 6.3 Pro Rata Redemption of Bonds of Different Series Not Required. Nothing contained in the Indenture shall be construed as requiring pro rata redemption of Bonds of different series, even though at the time that any redemption of Bonds is to be effected there are then Outstanding Bonds of two or more series then subject to redemption.

Section 6.4 Termination of Lease or Exercise by Lessee of Option to Purchase Project. In the event that the Lease terminates pursuant to Section 7.2(a) of the Lease, or in the event the Lessee exercises the option to terminate the Lease granted in Section 11.1(a) of the Lease, or in the event that the Lessee is entitled to exercise the option to purchase the Project granted in Section 11.2 of the Lease and duly does so in accordance with the applicable provisions of said Section 11.2, then, in any of such events, the Bond Trustee (i) shall segregate

and set aside in the Bond Fund [out of moneys therein, moneys in the Construction Fund and the Bond Purchase Fund, any condemnation awards then held by the Bond Trustee that are referable to the Project that are available for the retirement of Bonds, and any moneys payable by the Lessee pursuant to the provisions of any of Sections 7.2(a), 11.1(a) and 11.2 of the Lease, in the order named] moneys sufficient to retire the Bonds and pay all other Indenture Indebtedness as provided in Section 7.2(a), 11.1(a) or 11.2 of the Lease, as the case may be, and (ii) shall, in accordance with the applicable provisions of the Lease, dispose of any balance of such moneys not needed for the retirement of the Bonds and the payment of all other Indenture Indebtedness. The moneys so set aside in the Bond Fund shall be used to retire the Bonds and to pay all other Indenture Indebtedness in accordance with the applicable provisions of the Lease; provided, however, that such moneys shall be paid to the Credit Obligor to the extent that moneys are drawn under the Letter of Credit to provide for the retirement of Series 1997 Bonds.

ARTICLE VII

THE SERIES 1997 BONDS

Section 7.1 Amount and Maturity of Series 1997 Bonds and Manner of Payment. There is hereby authorized to be issued under the Indenture an issue or series of Bonds designated Variable/Fixed Rate Revenue Bonds (Indian Springs School Project), Series 1997, limited in aggregate principal amount to \$5,000,000. The Series 1997 Bonds shall (except as otherwise provided in Sections 5.1 and 5.2 hereof) be dated the date of issuance and shall be issued as fully registered bonds in Authorized Denominations, and shall be numbered R-1 upwards in the order issued. The Series 1997 Bonds shall mature and be payable on November 1, 2027.

The principal of and the interest and premium (if any) on the Series 1997 Bonds shall be payable in accordance with the provisions of Section 3.2 hereof, except that in the case of any Series 1997 Bond originally issued in a principal amount of not less than \$500,000, the interest on the said Series 1997 Bond, as well as the redemption price of any partial redemption of the principal thereof, may be payable as provided in a Home Office Payment Agreement with respect thereto. Also, so long as the Series 1997 Bonds are registered in the name of Cede, as nominee of DTC, all payments of principal and interest shall be made by wire transfer.

Section 7.2 Interest Rate on Series 1997 Bonds and Time of Payment. (a) The Series 1997 Bonds initially issued shall be dated the date of issuance and shall bear interest from their date, and Series 1997 Bonds issued on or subsequent to November 30, 1997, shall bear interest from the Interest Payment Date next preceding the date of authentication and delivery thereof by the Bond Trustee, unless such date of authentication and delivery shall be an Interest Payment Date, in which case they shall bear interest from such date of authentication and

delivery; provided, however, that if, as shown by the records of the Bond Trustee, interest on any Series 1997 Bonds surrendered for transfer or exchange shall be in default, the Series 1997 Bonds issued in exchange for Series 1997 Bonds surrendered for transfer or exchange shall bear interest from the date to which interest has been paid in full on the Series 1997 Bonds surrendered.

(b) The Series 1997 Bonds shall bear interest at the Variable Rate or at the Fixed Rate as more particularly provided in Sections 7.3 and 7.4 hereof.

(c) Interest at the Variable Rate and interest at the Fixed Rate for a Fixed Rate Period of less than six months shall be computed on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed. Interest at the Fixed Rate for each Fixed Rate Period of six months or more shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(d) Interest shall be payable on overdue principal of the Series 1997 Bonds and (to the extent legally enforceable) on any overdue installment of interest or premium on the Series 1997 Bonds at the Post-Default Rate, which is ten percent (10%) per annum.

(e) Interest shall be payable in arrears on the following dates (each such date being herein called an "Interest Payment Date"):

(1) with respect to interest payable monthly at the Variable Rate, (i) on the first day of each calendar month, beginning January 1, 1998, during a Variable Rate Period and (ii) on the day immediately following any Variable Rate Period (each such date being herein called a "Variable Rate Interest Payment Date");

(2) with respect to interest payable at a Fixed Rate for any Fixed Rate Period of less than six months, on the day immediately following such Fixed Rate Period (each such date being herein called a "Fixed Rate Interest Payment Date"); and

(3) with respect to interest payable at a Fixed Rate for any Fixed Rate Period of six months or more, (i) on the first day of the calendar month that is six months after the first day of the calendar month of the applicable Conversion Date, (ii) semiannually thereafter, and (iii) on the day immediately following such Fixed Rate Period (each such date being herein called a "Fixed Rate Interest Payment Date").

Section 7.3 Variable Rate. The Series 1997 Bonds shall initially bear interest at the Variable Rate, and the Variable Rate shall remain in effect until and including the day immediately prior to the earlier of (i) a Conversion Date or (ii) the final maturity of the Series

1997 Bonds. Upon the expiration of any Fixed Rate Period, the Series 1997 Bonds shall again bear interest at the Variable Rate (unless the day immediately following such Fixed Rate Period is a Conversion Date), and once the Variable Rate becomes effective again, it shall remain in effect until and including the day immediately prior to the earlier of (i) a Conversion Date or (ii) the final maturity of the Series 1997 Bonds. Each period during which the Variable Rate is in effect is herein called a "Variable Rate Period".

(a) Determination. The Variable Rate shall be a fluctuating rate per annum determined by the Remarketing Agent periodically during a Variable Rate Period as provided in this Section 7.3(a). The Variable Rate shall be determined on the first day of each Variable Rate Period and on each Thursday during a Variable Rate Period (or, if such Thursday is not a Business Day, on the next succeeding Business Day). The Variable Rate shall be determined by the Remarketing Agent to be the interest rate that would, in the opinion of the Remarketing Agent, result in the market value of the Series 1997 Bonds being 100% of the principal amount thereof on the date of such determination, taking into account the Credit Factors as they exist on such date; provided, however, that the Variable Rate may never exceed the Cap Rate. The Variable Rate determined from time to time by the Remarketing Agent shall be conclusive and binding on the Authority, the Lessee, the Bond Trustee and the Bondholders.

(b) Effective Date. The Variable Rate so determined shall become effective on the date of determination, and once effective shall remain in effect until and including the next determination date or, if sooner, the end of such Variable Rate Period; provided, however, that if the Remarketing Agent fails to determine the Variable Rate on any such determination date, the last Variable Rate in effect shall remain in effect until and including the next determination date.

(c) Notice of Determination. On each Variable Rate determination date the Remarketing Agent shall deliver written notice of the Variable Rate determined by the Remarketing Agent to the Bond Trustee and to the Lessee (and, if requested by the Authority, to the Authority); provided, however, that the Remarketing Agent may give such written notice to the recipients thereof by facsimile transmission to such facsimile number as the recipient may specify to the Remarketing Agent. In addition, the Remarketing Agent shall give telephonic notice of the Variable Rate determined on each such date. Upon the request of any Bondholder, the Bond Trustee shall confirm (by telephone and in writing, if so requested) the Variable Rate then in effect.

Section 7.4 Fixed Rate. The Series 1997 Bonds shall bear interest at a Fixed Rate during each period of time specified by the Lessee as provided below in this Section 7.4. Each period during which a Fixed Rate is in effect is herein called a "Fixed Rate Period".

(a) Determination. The Fixed Rate shall be a fixed rate per annum that shall be applicable during the entire Fixed Rate Period and shall be determined by the Remarketing Agent as follows:

(i) Not less than twenty-five (25) days preceding the proposed Conversion Date, the Remarketing Agent shall preliminarily determine a minimum interest rate for such Fixed Rate Period (a "Minimum Fixed Rate"), which shall be the interest rate that would, in the opinion of the Remarketing Agent, result in the market value of the Series 1997 Bonds being 100% of the principal amount thereof as of the date of such determination, taking into account the Credit Factors as they exist on such date, and assuming that the Fixed Rate Period begins on such date; provided, however, that such Minimum Fixed Rate may not exceed the Cap Rate. The Remarketing Agent shall deliver written notice of the Minimum Fixed Rate to the Bond Trustee by telecopy at the number provided in the Credit Agreement as well as by mail pursuant to Section 18.9 hereof, on the date it is determined. The Bond Trustee shall deliver a copy of such notice to the Authority, to the Lessee and to all Bondholders on or before the following Business Day, and the Bond Trustee shall include a reference to such Minimum Fixed Rate in the notice of Mandatory Tender given pursuant to Section 7.6 hereof, if available at the time such notice is given.

(ii) Not less than ten (10) days preceding the proposed Conversion Date, the Remarketing Agent shall determine the actual interest rate for such Fixed Rate Period (herein called the "Fixed Rate"), which shall be the greater of (i) the Minimum Fixed Rate or (ii) the interest rate that would, in the opinion of the Remarketing Agent, result in the market value of the Series 1997 Bonds being 100% of the principal amount thereof on the date of such determination, taking into account the Credit Factors as they exist on such date, and assuming that the Fixed Rate Period began on such date; provided, however, that the Fixed Rate may not exceed the Cap Rate. The Remarketing Agent shall deliver written notice of the Fixed Rate to the Bond Trustee on the date it is determined. The Bond Trustee shall deliver a copy of such notice to the Authority and the Lessee on or before the following Business Day.

The Fixed Rate determined by the Remarketing Agent shall be conclusive and binding on the Authority, the Lessee, the Bond Trustee and the Bondholders.

(b) Election by the Lessee. The Lessee may elect that the Series 1997 Bonds bear interest at a Fixed Rate by delivery of written notice of such election to the Bond Trustee and the Remarketing Agent not less than 40 days prior to the proposed Conversion Date. Such notice shall specify the first day and the last day of the Fixed Rate Period elected; provided, however, that (i) if such election is made during a Fixed Rate Period, the specified Conversion Date may not be sooner than the first day immediately following the Fixed Rate Period then in effect, (ii) the Conversion Date may not be less than 45 days prior to the Stated Termination Date of the Letter of Credit (if any) then in effect, (iii) the designated Fixed Rate Period shall be for one year or any multiple of one year, and (iv) the Fixed Rate Period may not extend beyond the final maturity of the Series 1997 Bonds. The Bond Trustee shall deliver a copy of such notice to the Authority, the Tender Agent (if it be other than the Bond Trustee), the Credit

Obligor and all Bondholders not less than thirty (30) days prior to the proposed Conversion Date.

(c) Revocation of Election. Notwithstanding the foregoing, a Fixed Rate shall not be established if (i) the Lessee delivers to the Bond Trustee written notice of revocation of his election to establish the Fixed Rate before 4:00 p.m. (Birmingham, Alabama time) on the last Business Day immediately prior to the proposed Conversion Date or (ii) prior to 11:00 a.m. (Birmingham, Alabama time) on the Conversion Date the Bond Trustee does not receive (1) an opinion of Bond Counsel stating in effect that such conversion to a Fixed Rate is lawful under applicable law and will not cause interest on the Series 1997 Bonds to be Taxable, and (2) the Substitute Letter of Credit or Alternate Credit Facility (if any) that was to be effective on such Conversion Date. If all conditions to the establishment of a Fixed Rate are not satisfied, the Series 1997 Bonds shall continue (or, if a Fixed Rate Period ended on the preceding day, shall begin) to bear interest at the Variable Rate from the proposed Conversion Date. Any such election by the Lessee shall be irrevocable after 4:00 p.m. (Birmingham, Alabama time) on the last Business Day immediately prior to the proposed Conversion Date.

(d) Bond Legend. The Bond Trustee shall stamp a legend on each Series 1997 Bond delivered to and authenticated by the Bond Trustee during a Fixed Rate Period in substantially the following form:

This bond bears interest at a Fixed Rate, as defined in this bond, which is ____% per annum, from ____ until _____, _____ [the end of the Fixed Rate Period].

Section 7.5 Optional Tenders. The Holder of any Series 1997 Bond shall have the right to tender such Series 1997 Bond to the Tender Agent for purchase in whole or in part (but, if in part, only in an Authorized Denomination) on any Business Day during any Variable Rate Period, but not during any Fixed Rate Period, at a purchase price equal to 100% of the principal amount of the Series 1997 Bonds (or portions thereof) tendered plus accrued interest to the specified purchase date (an "Optional Tender Date").

(a) Bondholder's Notice of Optional Tender. In order to exercise a Tender Option with respect to any Series 1997 Bond, the Holder thereof must deliver notice of such exercise to the Tender Agent as provided below in this Section 7.5(a), at its Principal Office at least seven (7) days prior to the proposed Optional Tender Date. Any such notice of Optional Tender must be duly executed by the Bondholder and must specify (i) the name of the registered Holder of the Series 1997 Bond to be tendered for purchase; (ii) the Optional Tender Date; (iii) the certificate number and principal amount of such Series 1997 Bond; and (iv) the principal amount of such Series 1997 Bond to be purchased (provided that, if such amount is less than the entire principal amount, the amount to be purchased must be in an Authorized Denomination). Such notice may be given to the Tender Agent in writing or by telephone, but no telephonic notice shall be effective unless confirmed in writing delivered to the Tender Agent not more than two

(2) Business Days after such telephonic notice. The written notice of Optional Tender must be in substantially the following form or in such other form as shall be acceptable to the Tender Agent:

Optional Tender Notice

Re: Variable/Fixed Rate Revenue Bonds (Indian Springs School Project), Series 1997, issued by The Educational Building Authority of the Town of Indian Springs Village, pursuant to a Trust Indenture dated as of November 1, 1997

The undersigned is the registered owner of the following Series 1997 Bond, which is part of the above-referenced issue of bonds:

Certificate Number: _____
Principal Amount: _____

The undersigned hereby elects to have (check one as appropriate, and be certain to designate the principal amount tendered, if less than the entire amount):

_____ the entire principal amount :
_____ \$ _____ (must be an Authorized Denomination) of the principal
amount of such Series 1997 Bond

purchased on the following date (specify a business day that is at least seven (7) days after notice of tender is delivered to the Tender Agent):

[Optional Tender Date]

THE UNDERSIGNED ACKNOWLEDGES THAT THIS ELECTION IS IRREVO-
CABLE AND BINDING ON THE UNDERSIGNED AND CANNOT BE WITHDRAWN.

Dated: _____

Print or Type:

Name(s) of Bondholder

Address

Telephone Number

Signature:

(The name(s) and signature(s) must correspond exactly to the name appearing on the registration books maintained by the Bond Trustee)¹

Signature Guaranteed:

(Bank, Trust Company or Firm)*

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange Medallion Signature Program (MSP).

If any notice of Optional Tender specifies an Optional Tender Date that is not a Business Day, then such notice shall be deemed to specify the next following Business Day as the Optional Tender Date. Unless a notice of Optional Tender indicates that less than the entire principal amount of the Series 1997 Bond is being tendered for purchase, the Holder will be deemed to have tendered the Series 1997 Bond in its entire principal amount for purchase. Upon delivery of a written notice of Optional Tender, the election to tender shall be irrevocable and binding upon such Holder and may not be withdrawn. The Tender Agent shall, in its sole discretion, determine whether, with respect to any Series 1997 Bond the Holder thereof shall have properly exercised the option to have his Series 1997 Bond purchased pursuant to this section.

(b) Notice by Tender Agent. Not later than 4:00 p.m. (Birmingham, Alabama time) on the Business Day after receipt of any such telephonic or written notice of Optional Tender, the Tender Agent shall deliver written notice to the Bond Trustee, the Remarketing Agent, the Lessee, and the Credit Obligor specifying (i) the principal amount of Series 1997 Bonds for which a notice of Optional Tender has been given and (ii) the proposed Optional Tender Date therefor.

(c) Delivery and Purchase of Tendered Bonds. If a written notice of tender shall have been duly given with respect to any Series 1997 Bond, the Holder of such Series 1997 Bond shall deliver such Series 1997 Bond to the Tender Agent at its Principal Office at or before 1:00 p.m. (Birmingham, Alabama time) on the Optional Tender Date, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided on such Series 1997 Bond or in such other form as shall be acceptable to the Tender Agent). On each Optional Tender Date, the Bond Trustee shall purchase, or cause to be purchased, from funds available therefor in the Bond Purchase Fund, all Series 1997 Bonds as to which written notices of tender for purchase have been received at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any. Funds for payment of the purchase price of such Series 1997 Bonds shall be drawn by the Bond Trustee from the Bond Purchase Fund as provided in Section 10.2 of this Indenture.

(d) Unsurrendered Bonds. Any Series 1997 Bond for which a notice of tender has been given but which is not so delivered to the Tender Agent (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered by the Holder thereof on the Optional Tender Date. If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the purchase price of all Series 1997 Bonds tendered or deemed to be tendered for purchase on an Optional Tender Date, any Unsurrendered Bonds shall be deemed to have been tendered for purchase and purchased from the Holder thereof on such Optional Tender Date and the Holder of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the Optional Tender Date. The Bond Trustee shall issue a new Series 1997 Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bonds which are not tendered for purchase on any Optional Tender Date and, upon receipt by the Tender Agent of any such Unsurrendered Bonds from the Holders thereof, shall pay, or cause to be paid, the purchase price of such Unsurrendered Bonds to the Holders thereof and cancel such Unsurrendered Bonds.

(e) Limitations on Optional Tender. Anything in this Indenture to the contrary notwithstanding, no Optional Tender of Series 1997 Bonds shall be permitted (i) for Pledged Bonds; (ii) for any Series 1997 Bond which is deemed fully paid within the meaning of Article XVII hereof; or (iii) for any Series 1997 Bond during a Fixed Rate Period.

Section 7.6 Mandatory Tenders. Except as provided below with respect to the delivery of a Retention Notice, the Holder of each Series 1997 Bond shall be required to tender such Series 1997 Bond to the Tender Agent for purchase on the following dates (each such date being herein called a "Mandatory Tender Date"):

- (1) each proposed Conversion Date,
- (2) the date immediately following the expiration of a Fixed Rate Period,

(3) the first day of the calendar month in which the Stated Expiration Date of the Letter of Credit or any Alternate Credit Facility occurs, and

(4) twenty (20) days after the Bond Trustee receives written notice from the Credit Obligor (A) stating that an event of default, as therein defined, has occurred and is continuing under the Credit Agreement and (B) directing the Bond Trustee to effect a Mandatory Tender.

If any of such dates is not a Business Day, the Mandatory Tender Date shall be deemed to be the next succeeding Business Day.

(a) Notice of Mandatory Tender. Notice of a Mandatory Tender shall be given by the Bond Trustee by registered or certified mail, mailed to the Bondholders at their addresses appearing on the registry books of the Bond Trustee not less than thirty (30) days prior to the Mandatory Tender Date. Such notice of Mandatory Tender shall specify

(1) the Mandatory Tender Date,

(2) the reason for the Mandatory Tender (that is, the applicable event listed in the opening paragraph of this Section 7.6),

(3) if such Mandatory Tender Date is the first day of the calendar month in which the Stated Termination Date of the Letter of Credit or Alternate Credit Facility occurs, that the Bond Trustee will no longer be permitted to make drawings under the Letter of Credit or Alternate Credit Facility after the Stated Termination Date, which shall be specified,

(4) if such Mandatory Tender Date is a proposed Conversion Date or the day immediately following the expiration of a Fixed Rate Period that is not a Proposed Conversion Date, state the manner in which interest on the Series 1997 Bonds will be calculated on and after the Mandatory Tender Date,

(5) the Minimum Fixed Rate, if applicable and if available to the Bond Trustee,

(6) the Substitute Letter of Credit or Alternate Credit Facility that will be in effect during the ensuing interest rate period and the rating or ratings expected to be assigned to the Series 1997 Bonds, or, if no such Substitute Letter of Credit or Alternate Credit Facility is available, the Mandatory Tender notice shall so state and shall state that the rating or ratings (if any) on the Series 1997 Bonds may be reduced or withdrawn,

(7) that the Holder may elect not to tender or sell its Series 1997 Bond or Bonds on such Mandatory Tender Date by delivering to the Bond Trustee a

Retention Notice not less than fifteen (15) days prior to such Mandatory Tender Date,

(8) that all Series 1997 Bonds as to which no such Retention Notice is properly received shall be tendered by the Holder thereof to the Tender Agent at its Principal Office at or before 1:00 p.m. (Birmingham, Alabama time) on such Mandatory Tender Date, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided in the Series 1997 Bonds or such other form as shall be acceptable to the Tender Agent), and shall be purchased on the Mandatory Tender Date at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any, and any Series 1997 Bond (other than a Series 1997 Bond for which a Retention Notice has been given) that is not so delivered to the Tender Agent shall be deemed to have been tendered for purchase by the Holder thereof on the Mandatory Tender Date, and,

(9) in the event of a Mandatory Tender required on a proposed Conversion Date, that the conditions specified in Section 7.4(c)(ii) hereof must be satisfied before the Fixed Rate may be established, and that failure to satisfy those conditions, or the delivery by the Lessee of a revocation of his election to establish a Fixed Rate as provided in Section 7.4(c)(i), will terminate the applicable Mandatory Tender.

After notice of a Mandatory Tender has been given by the Bond Trustee, the Series 1997 Bonds shall be subject to Mandatory Tender (unless a Retention Notice is given with respect to such Series 1997 Bonds) notwithstanding the fact that the reasons for giving such notice cease to exist or are no longer applicable.

(b) Retention Notice. In the case of any Mandatory Tender (except as hereinafter provided), the Holder of any Series 1997 Bond may, by delivery of a written notice (a "Retention Notice") to the Bond Trustee not less than fifteen (15) days prior to such Mandatory Tender Date, elect not to tender or sell such Series 1997 Bond on such Mandatory Tender Date; provided, however, that a Series 1997 Bondholder may not elect to retain any Series 1997 Bonds if such Mandatory Tender is required by the Credit Obligor as a result of an event of default by either or both of the Lessee or the Foundation under the Credit Agreement. Any such Retention Notice must be in writing, must be duly executed by the Bondholder, must specify the certificate number of the Series 1997 Bond with respect to which such Retention Notice is given, and must acknowledge that such Holder has received the related Mandatory Tender notice. The Retention Notice must be in substantially the following form or in such other form as shall be acceptable to the Bond Trustee:

Retention Notice

Re: Variable/Fixed Rate Revenue Bonds (Indian Springs School Project), Series 1997,
issued by The Educational Building Authority of the Town of Indian Springs
Village, pursuant to a Trust Indenture dated as of November 1, 1997

The undersigned is the registered owner of the following Series 1997 Bond, which is part
of the above-referenced issue of Series 1997 Bonds:

Certificate Number: _____
Principal Amount: _____

The undersigned acknowledges that he has received a notice indicating that the above-
referenced Series 1997 Bond is subject to mandatory tender and purchase on _____. [The
undersigned further acknowledges that he understands (i) that the Letter of Credit securing pay-
ment of the principal of and interest on said Series 1997 Bonds will terminate not later than 15
days following such tender date and (ii) that the rating currently applicable to the Series 1997
Bonds may be reduced or withdrawn following such tender date.] The undersigned hereby elects
not to tender or sell the above-referenced Series 1997 Bond on such mandatory tender date.

THE UNDERSIGNED ACKNOWLEDGES THAT THIS ELECTION IS
IRREVOCABLE AND BINDING ON THE UNDERSIGNED AND CANNOT BE
WITHDRAWN.

Dated: _____

Print or Type:

Name(s) of Bondholder

Address

Telephone Number

Signature:

(The name(s) and signature(s) must correspond exactly to the name
appearing on the registration books maintained by the Bond Trustee)

Signature Guaranteed:

(Bank, Trust Company or Firm)*

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange Medallion Signature Program (MSP).

Upon delivery of a written Retention Notice, the election not to tender shall be irrevocable and binding upon the Holder and may not be withdrawn.

(c) Notice by Bond Trustee. Not later than 4:00 p.m. (Birmingham, Alabama time) on the Business Day after the last day for delivery of a Retention Notice the Bond Trustee shall deliver to the Tender Agent, the Remarketing Agent, the Lessee and the Credit Obligor a written notice specifying the principal amount of Series 1997 Bonds for which a Retention Notice has been given.

(d) Delivery and Purchase of Tendered Series 1997 Bonds. All Series 1997 Bonds (other than any Series 1997 Bond with respect to which a Retention Notice has been properly delivered to the Bond Trustee) shall be tendered by the Holders thereof for purchase at or before 1:00 p.m. (Birmingham, Alabama time) on the Mandatory Tender Date, by delivering such Series 1997 Bonds to the Tender Agent at its Principal Office, together with an instrument of assignment or transfer duly executed in blank (which instrument of assignment or transfer shall be in the form provided in the Series 1997 Bonds or such other form as shall be acceptable to the Tender Agent). On the Mandatory Tender Date, the Bond Trustee shall purchase, from funds available therefor from the Bond Purchase Fund, or cause to be purchased, all Series 1997 Bonds (other than any Series 1997 Bond as to which a Retention Notice has been properly delivered to the Bond Trustee) at a purchase price equal to 100% of the principal amount thereof plus accrued interest, if any. Funds for payment of the purchase price of such Series 1997 Bonds shall be drawn by the Bond Trustee from the Bond Purchase Fund as provided in Section 10.2 of this Indenture.

(e) Unsurrendered Bonds. All Series 1997 Bonds to be purchased under the provisions of this Section 7.6 that are not delivered to the Tender Agent on the Mandatory Tender Date ("Unsurrendered Bonds") shall nevertheless be deemed to have been tendered for purchase by the Holders thereof on the Mandatory Tender Date. If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the purchase price of all Series 1997

Bonds tendered or deemed tendered for purchase on the Mandatory Tender Date (except Series 1997 Bonds as to which a Retention Notice has been received), any Unsurrendered Bonds shall be deemed to be tendered for purchase and purchased from the Holder thereof on such Mandatory Tender Date and the Holder of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the relevant Mandatory Tender Date. The Bond Trustee shall issue a new Series 1997 Bond or Bonds in the same aggregate principal amount for any Unsurrendered Bonds which are not tendered for purchase on any Mandatory Tender Date and, upon receipt by the Tender Agent of any such Unsurrendered Bonds from the Holders thereof, shall pay, or cause to be paid, the purchase price of such Unsurrendered Bonds to the Holders thereof and cancel such Unsurrendered Bonds.

Section 7.7 Procedure for Purchase and Delivery of Tendered Series 1997 Bonds. At or before 4:00 p.m. (Birmingham, Alabama time) on each Tender Date, the Bond Trustee shall pay the purchase price to each Holder of a Series 1997 Bond (or portion thereof) tendered for purchase. The Bond Trustee shall pay the purchase price of each Series 1997 Bond tendered by check or draft mailed by the Bond Trustee to the Holder of such Series 1997 Bond at his address appearing in the registry books of the Bond Trustee or, upon the written request of such Holder accompanied by adequate instructions, by wire transfer to an account of such Holder maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Bond Trustee. The Bond Trustee shall pay such purchase price from money on deposit in the Bond Purchase Fund; provided, that the Bond Trustee shall not pay the purchase price of any Unsurrendered Bond, unless and until the Holder of such Unsurrendered Bond presents such Unsurrendered Bond to the Tender Agent. All Series 1997 Bonds so purchased by the Bond Trustee shall be delivered by the Tender Agent in accordance with this Section.

(a) Tendered Series 1997 Bonds Held in Trust. The Tender Agent shall hold all Series 1997 Bonds delivered to it pursuant to the Optional or Mandatory Tender provisions hereof in trust solely for the benefit of the respective Holders who shall have delivered such Series 1997 Bonds until money representing the purchase price of such Series 1997 Bonds shall have been delivered to or for the account of such Holder. Series 1997 Bonds purchased pursuant to the Optional Tender or Mandatory Tender provisions of this Indenture shall not, by virtue of such purchase, be deemed paid or cancelled, but shall remain Outstanding until fully paid within the meaning of Section 17.1 hereof.

(b) Delivery and Registration of Pledged Bonds. Series 1997 Bonds purchased by the Bond Trustee with money drawn under the Letter of Credit (herein referred to as "Pledged Bonds") shall be held by the Tender Agent for the benefit of the Credit Obligor, as pledgee, subject to the following terms and conditions:

(1) If, on the Tender Date, the Tender Agent receives written notice (a "Reimbursement Notice") from the Credit Obligor stating that it has been reimbursed for the drawing made under the Letter of Credit to pay the purchase

price of such Pledged Bonds and that the Letter of Credit has been reinstated to the extent of the amount so drawn to pay the purchase price of such Pledged Bonds (except as limited by the provisions of the Letter of Credit relating to the "Maximum Interest Coverage"), then such Series 1997 Bonds shall no longer be considered "Pledged Bonds" and the Bond Trustee shall register such Series 1997 Bonds as follows: (A) if such Series 1997 Bonds have been remarketed by the Remarketing Agent, then as directed by the Remarketing Agent, or (B) if such Series 1997 Bonds have not been remarketed, then in the name of the Lessee. Series 1997 Bonds registered as directed by the Remarketing Agent shall be delivered by the Tender Agent to, or upon the direction of, the Remarketing Agent. Series 1997 Bonds registered in the name of the Lessee shall be delivered by the Bond Trustee to the Lessee.

(2) If the Tender Agent does not receive a Reimbursement Notice by the close of business on the Tender Date, then the Bond Trustee shall register such Pledged Bonds in the name of the Credit Obligor, as pledgee. Such Pledged Bonds shall be delivered to the Credit Obligor. Upon receipt by the Tender Agent of a Reimbursement Notice with respect to any Pledged Bonds, such Series 1997 Bonds shall no longer be considered "Pledged Bonds" and shall be disposed of as provided in subparagraph (1) of this subsection 7.7(b).

(c) Delivery and Registration of Other Tendered Series 1997 Bonds. Series 1997 Bonds purchased by the Bond Trustee with money from any source other than money drawn under the Letter of Credit shall be registered as follows: (i) if such Series 1997 Bonds have been remarketed by the Remarketing Agent, then as directed by the Remarketing Agent, or (ii) if such Series 1997 Bonds have not been remarketed, then in the name of the Lessee. Series 1997 Bonds registered as directed by the Remarketing Agent shall be delivered by the Tender Agent to, or upon the direction of, the Remarketing Agent. Series 1997 Bonds registered in the name of the Lessee shall be delivered to the Lessee.

Section 7.8 Redemption of Series 1997 Bonds. The Series 1997 Bonds shall be subject to redemption prior to maturity as follows:

(a) The Series 1997 Bonds shall be redeemed in whole or in part in multiples of \$5,000 from the proceeds of condemnation of all or substantially all of the Project or in whole from the proceeds of the exercise by the Lessee of an option to purchase the Project pursuant to the provisions of Sections 7.2(a), 11.1 or 11.2 of the Lease, on any date at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

(b) In the event of a Determination of Taxability, the Series 1997 Bonds shall be redeemed in whole on any date, at a redemption price equal to the principal amount of the Series 1997 Bonds to be redeemed plus accrued interest

to the redemption date. The Taxability Redemption Date shall be the earliest practicable date, after the Determination of Taxability, on which the Series 1997 Bonds can be redeemed in accordance with their terms and the terms of the Indenture, but in no event later than thirty (30) days after the date of the Determination of Taxability.

(c) During any Fixed Rate Period, the Series 1997 Bonds shall be subject to optional redemption by the Authority (exercised upon direction of the Lessee if no event of default exists under the Lease) as a whole or in part in multiples of \$5,000 on any date during the applicable redemption period set forth in the table below at the applicable redemption price (expressed as a percentage of principal amount) set forth in the table below:

<u>Redemption Period</u>	<u>Redemption Price</u>
Fixed Rate Period of 5 years or less:	
Not subject to redemption	N/A
Fixed Rate Period of more than 5 years but not more than 10 years:	
5th anniversary of Conversion Date through day prior to 7th anniversary	101%
7th anniversary of Conversion Date and thereafter	100%

If less than all the Series 1997 Bonds Outstanding are called for redemption, the Series 1997 Bonds to be redeemed shall be selected by the Bond Trustee by lot.

(d) During any Variable Rate Period, the Series 1997 Bonds will be subject to redemption prior to maturity by the Authority, at the option of the Lessee, as a whole, or in part in multiples of \$5,000 selected by lot, on the first calendar day of any month, at a redemption price equal to the principal amount of the Series 1997 Bonds called for redemption plus accrued interest thereon to the redemption date.

Section 7.9 Special Provisions Respecting the Redemption of Series 1997 Bonds.
If less than all the Series 1997 Bonds shall be called for redemption under any provision of the Indenture permitting such partial redemption, the particular Series 1997 Bonds or portions of Series 1997 Bonds to be redeemed shall be selected by the Bond Trustee, in such manner as the

Bond Trustee in its discretion may deem proper, in the principal amount designated to the Bond Trustee by the Authority or as otherwise required by the Indenture. If a Series 1997 Bond selected for redemption shall have been purchased pursuant to Section 7.5 hereof, and if such Series 1997 Bond shall have been remarketed and a new Series 1997 Bond delivered in lieu thereof on or after the date on which notice by mail of the proposed redemption of such Series 1997 Bond shall have been given, then, in such case, the new Series 1997 Bond so delivered shall be deemed to be the Series 1997 Bond originally selected for redemption. If less than the full principal amount of any Series 1997 Bond is called for redemption, and if the Holder thereof fails to present such Series 1997 Bond to the Bond Trustee for payment, then such Series 1997 Bond shall nevertheless become due and payable on the date fixed for redemption to the extent of the principal amount thereof called for redemption (but to that extent only).

Section 7.10 Form of Series 1997 Bonds. Subject to the provisions of Section 7.4 hereof, the Series 1997 Bonds and the Bond Trustee's authentication certificate applicable thereto shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

[Form of Series 1997 Bonds]

No. R _____

\$ _____

UNITED STATES OF AMERICA

STATE OF ALABAMA

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

**VARIABLE/FIXED RATE
REVENUE BOND
(Indian Springs School Project)
Series 1997**

**CUSIP
454492 AA7**

On the 1st day of November, 2027 (unless the principal of this bond shall have been duly called for previous redemption and payment duly provided for), for value received, 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 (herein called the "Authority"), will pay to _____, or registered assigns, solely out of the sources of payment hereinafter referred to, the sum of

D O L L A R S

(or such lesser portion thereof then unpaid), plus interest on the unpaid balance of said principal sum from the date hereof until payment of said principal sum has been made or duly provided for, at the rates and on the dates determined as set forth herein. The principal of and the interest on this bond shall be payable in lawful money of the United States of America. The principal of this bond is payable only upon presentation and surrender of this bond at the principal corporate trust office of AmSouth Bank, Birmingham, Alabama, or its successor as Bond Trustee under the Indenture hereinafter referred to. The interest on this bond that is payable on any Interest Payment Date (as hereinafter defined) will, subject to certain exceptions provided in said Indenture, be paid on such Interest Payment Date to the person in whose name this bond is registered at the close of business on the Record Date (as hereinafter defined) next preceding such Interest Payment Date. Such interest shall be remitted by the Bond Trustee hereinafter referred to by check or draft mailed or otherwise delivered to the registered holder hereof as of such Record Date at the address shown on the registry books of said Bond Trustee; provided, however, that in case this bond is initially issued in a principal amount of not less than \$500,000, the said Bond Trustee will, at the request of the holder hereof, enter into a special payment agreement with such holder providing for the payment of the interest hereon and the redemption price of any partial redemption of the principal hereof through wire transfers, crediting of bank accounts or other arrangements, but such special payment agreement shall be subject to the terms and conditions specified in said Indenture; and provided further that so long as the Series 1997 Bonds are registered in the name of Cede & Co., as nominee of The Depository Trust Company, all payments of principal and interest shall be made by wire transfer, except that the final payment of interest, and the principal due upon final maturity or earlier redemption, shall be made only upon surrender of this bond to the Bond Trustee. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or if such Interest Payment Date is not a business day, on the business day next following such Interest Payment Date). The Record Date shall mean (i) with respect to any Variable Rate Interest Payment Date or any Fixed Rate Interest Payment Date with respect to a Fixed Rate Period of less than six months, the day immediately prior to such Interest Payment Date, and (ii) with respect to any Fixed Rate Interest Payment Date with respect to a Fixed Rate Period of six months or more, the 15th day (whether or not a Business Day) next preceding such Interest Payment Date.

This bond is one of a duly authorized issue or series of bonds authorized to be issued in the aggregate principal amount of \$5,000,000 and designated Variable/Fixed Rate Revenue Bonds (Indian Springs School Project), Series 1997 (herein called the "Series 1997 Bonds"). The Series 1997 Bonds have been issued under a Trust Indenture dated as of November 1, 1997 (herein called the "Indenture"), between the Authority and AmSouth Bank, Birmingham, Alabama (herein, in such capacity, together with its successors in trust, called the "Bond

Trustee"), for the purpose (i) of financing a portion of the costs of acquiring, constructing and equipping certain secondary school facilities (said facilities, the land upon which such facilities are located and all machinery, equipment and other personal property acquired by the Authority with respect thereto being herein together called the "Project") and (ii) of refunding certain revenue bonds heretofore issued by the Authority to finance certain other facilities for such secondary school. The Authority has leased the Project to AmSouth Bank, acting as testamentary trustee of a trust created under the Last Will and Testament of Harvey G. Woodward, Deceased (herein, in such capacity, called the "Lessee"), under a Lease Agreement dated as of November 1, 1997 (herein called the "Lease"), which obligates the Lessee to pay rent directly to the Bond Trustee, for the account of the Authority, on such dates and in such amounts as will provide moneys sufficient to pay, when due, the principal of and the interest and premium (if any) on the Series 1997 Bonds. The Lessee has entered into a Guaranty Agreement dated as of November 1, 1997 (herein called the "Series 1997 Guaranty"), with the Bond Trustee pursuant to which the Lessee has unconditionally guaranteed the prompt payment of the principal of and the interest and premium (if any) on the Series 1997 Bonds.

As security for the payment of the Series 1997 Bonds, AmSouth Bank, Birmingham, Alabama (herein, in its capacity as issuer of the initial Letter of Credit referred to below, called the "Credit Obligor"), has issued an irrevocable letter of credit in favor of the Bond Trustee in the amount of (i) the aggregate principal amount of the Series 1997 Bonds, to enable the Bond Trustee to pay the principal amount of Series 1997 Bonds when due and to pay the principal portion of the purchase price of Series 1997 Bonds tendered (or deemed tendered) to the Bond Trustee for purchase, plus (ii) interest on the Series 1997 Bonds at the rate of 10% per annum for a period of 40 days, to enable the Bond Trustee to pay interest on the Series 1997 Bonds when due and to pay the interest portion of the purchase price of Series 1997 Bonds tendered (or deemed tendered) to the Bond Trustee for purchase. Unless sooner terminated according to its terms, the initial Letter of Credit will terminate on November 15, 2002. Subject to the terms and conditions of the Indenture, the Lessee may, at its option, replace such letter of credit with a substitute letter of credit or an Alternate Credit Facility (as defined in the Indenture). The initial letter of credit so delivered to the Bond Trustee and any substitute letter of credit or Alternate Credit Facility delivered to the Bond Trustee pursuant to the Indenture are herein referred to as the "Letter of Credit".

The initial Letter of Credit has been issued by the Credit Obligor pursuant to a Credit Agreement dated as of November 1, 1997 (herein called the "Credit Agreement"), between the Credit Obligor and the Lessee and Indian Springs School, an Alabama nonprofit corporation (herein called the "Foundation"), whereby the Lessee and the Foundation have agreed, among other things, to reimburse the Credit Obligor for all amounts drawn by the Bond Trustee pursuant to the initial Letter of Credit.

The Series 1997 Bonds may bear interest at the Variable Rate or the Fixed Rate, as set forth hereinbelow. Interest at the Variable Rate and interest at the Fixed Rate for a Fixed Rate Period of less than six months shall be computed on the basis of a 365 or 366-day year, as the case may be, for the actual number of days elapsed. Interest at the Fixed Rate for each Fixed

Rate Period of six months or more shall be computed on the basis of a 360-day year with twelve months of thirty days each.

Interest on this bond shall be payable in arrears on the following dates (each such date being herein called an "Interest Payment Date"):

(1) with respect to interest payable monthly at the Variable Rate, on (i) the first day of each calendar month, beginning January 1, 1998, during a Variable Rate Period, and (ii) the day immediately following any Variable Rate Period (each such date being herein called a "Variable Rate Interest Payment Date");

(2) with respect to interest payable at a Fixed Rate for any Fixed Rate Period of less than six months, on the day immediately following such Fixed Rate Period (each such date being herein called a "Fixed Rate Interest Payment Date"); and

(3) with respect to interest payable at a Fixed Rate for any Fixed Rate Period of six months or more, (i) on the first day of the calendar month that is six months after the first day of the calendar month of the applicable Conversion Date, (ii) semiannually thereafter, and (iii) on the day immediately following such Fixed Rate Period (each such date being herein called a "Fixed Rate Interest Payment Date").

The Series 1997 Bonds shall initially bear interest at the Variable Rate, and the Variable Rate shall remain in effect until and including the day immediately prior to the earlier of (i) the effective date of a conversion of the interest rate to a Fixed Rate (such date being herein referred to as a "Conversion Date") or (ii) the final maturity of the Series 1997 Bonds. Upon the expiration of any Fixed Rate Period, the Series 1997 Bonds shall again bear interest at the Variable Rate (unless the day immediately following such Fixed Rate Period is a Conversion Date), and once the Variable Rate becomes effective again, it shall remain in effect until and including the day immediately prior to the earlier of (i) a Conversion Date or (ii) the final maturity of the Series 1997 Bonds. Each period during which the Variable Rate is in effect is herein called a "Variable Rate Period".

The Variable Rate shall be a fluctuating rate per annum determined by the Remarketing Agent periodically during a Variable Rate Period as provided in this paragraph. The Variable Rate shall be determined on the first day of each Variable Rate Period and on each Thursday during a Variable Rate Period (or, if such Thursday is not a business day, on the next succeeding business day). The Variable Rate so determined shall become effective on the date of determination, and once effective shall remain in effect until and including the next determination date or, if sooner, the end of such Variable Rate Period; provided, however, that if the Remarketing Agent fails to determine the Variable Rate on any such determination date, the last Variable Rate in effect shall remain in effect until and including the next determination date.

The Variable Rate shall be determined by the Remarketing Agent and shall be the interest rate that would, in the opinion of the Remarketing Agent, result in the market value of the Series 1997 Bonds being 100% of the principal amount thereof on the date of such determination, taking into account certain Credit Factors (as defined in the Indenture) as they exist on such date; provided, however, that the Variable Rate may never exceed the Cap Rate. The Cap Rate is the lesser of (i) the rate of 10% per annum or (ii) for any period during which the Series 1997 Bonds are supported by a Letter of Credit, the maximum rate per annum, specified therein, upon which there has been calculated the amount available to be drawn on such Letter of Credit to pay interest on the Series 1997 Bonds. Upon the request of any Bondholder, the Bond Trustee shall confirm (by telephone and in writing, if so requested) the Variable Rate then in effect.

Porter, White & Company, Inc. has been appointed as "Remarketing Agent" pursuant to the Indenture. The Indenture permits the Lessee, with the consent of the Credit Obligor, to remove such Remarketing Agent and appoint a successor, subject to certain terms and conditions specified in the Indenture.

The Series 1997 Bonds shall bear interest at a Fixed Rate during each period of time specified by the Lessee, as provided below. Each period during which a Fixed Rate is in effect is herein called a "Fixed Rate Period". The first day of any such Fixed Rate Period is herein called a "Conversion Date".

The Fixed Rate shall be a fixed rate per annum which shall be applicable during the entire Fixed Rate Period and shall be determined by the Remarketing Agent as provided below.

The Lessee may elect that the Series 1997 Bonds bear interest at a Fixed Rate by delivery of written notice of such election to the Bond Trustee and the Remarketing Agent not less than forty (40) days prior to the proposed Conversion Date. Such notice shall specify the first day and the last day of the Fixed Rate Period elected; provided, however, that (i) if such election is made during a Fixed Rate Period, the specified Conversion Date may not be sooner than the first day immediately following the Fixed Rate Period then in effect, (ii) the Conversion Date may not be less than 45 days prior to the stated expiration date of the Letter of Credit (if any) then in effect, (iii) the designated Fixed Rate Period may not be less than 30 days, but if longer than 30 days, any Fixed Rate Period shall be for one year or any multiple of one year and (iv) the Fixed Rate Period may not extend beyond the final maturity of the Series 1997 Bonds. Any such election by the Lessee shall be irrevocable after 4:00 p.m. (Birmingham, Alabama time) on the last business day immediately prior to the proposed Conversion Date.

Not less than twenty-five (25) days preceding the proposed Conversion Date, the Remarketing Agent shall determine a minimum interest rate for such Fixed Rate Period (a "Minimum Fixed Rate"), which shall be the interest rate that would, in the opinion of the Remarketing Agent, result in the market value of the Series 1997 Bonds being 100% of the principal amount thereof as of the date of such determination, taking into account certain Credit Factors (as defined in the Indenture) as they exist on such date, and assuming that the Fixed Rate

Period begins on such date; provided, however, that the Minimum Fixed Rate may not exceed the Cap Rate.

Not less than ten (10) days immediately preceding the proposed Conversion Date, the Remarketing Agent shall determine the actual interest rate for such Fixed Rate Period (herein called the "Fixed Rate"), which shall be the greater of (i) the Minimum Fixed Rate or (ii) the interest rate that would, in the opinion of the Remarketing Agent, result in the market value of the Series 1997 Bonds being 100% of the principal amount thereof on the date of such determination, taking into account certain Credit Factors (as defined in the Indenture) as they exist on such date, and assuming that the Fixed Rate Period began on such date; provided, however, that the Fixed Rate may not exceed the Cap Rate.

Notwithstanding the foregoing, a Fixed Rate shall not be established if (i) the Lessee delivers to the Bond Trustee written notice of revocation of its election to establish the Fixed Rate before 4:00 p.m. (Birmingham, Alabama time) on the last business day immediately prior to the proposed Conversion Date or (ii) prior to 11:00 a.m. (Birmingham, Alabama time) on the Conversion Date the Bond Trustee does not receive (a) an opinion of Bond Counsel stating in effect that such conversion to a Fixed Rate is lawful under applicable law and will not cause interest on the Series 1997 Bonds to be taxable and (b) the substitute Letter of Credit or Alternate Credit Facility (if any) that was to be effective on such Conversion Date. If all conditions to the establishment of a Fixed Rate are not satisfied, the Series 1997 Bonds shall continue (or, if a Fixed Rate Period ended on the preceding day, shall begin) to bear interest at the Variable Rate from the proposed Conversion Date.

The holder of any Series 1997 Bond shall have the right to tender such Series 1997 Bond to the Bond Trustee or to any Tender Agent appointed pursuant to the Indenture for purchase in whole or in part (but, if in part, only in an Authorized Denomination) on any business day during any Variable Rate Period, but not during any Fixed Rate Period, at a purchase price equal to 100% of the principal amount of Series 1997 Bonds (or portions thereof) tendered plus accrued interest to the specified purchase date (an "Optional Tender Date"). In order to exercise such option with respect to any Series 1997 Bond, the holder thereof must deliver notice thereof to the Bond Trustee, as provided below, at its principal office at least seven days prior to the proposed Optional Tender Date.

Any such notice of Optional Tender must be duly executed by the Bondholder and must specify (i) the name of the registered holder of the Series 1997 Bond to be tendered for purchase, (ii) the Optional Tender Date, (iii) the certificate number and principal amount of such Series 1997 Bond, and (iv) the principal amount of such Series 1997 Bond to be purchased (provided that, if such amount is less than the entire principal amount, the amount to be purchased must be in an Authorized Denomination). Such notice may be given to the Bond Trustee in writing or by telephone, but no such telephonic notice shall be effective unless confirmed in writing delivered to the Bond Trustee not more than two business days after such telephonic notice. A form of the Optional Tender Notice may be obtained from the Bond Trustee upon request.

If any notice of Optional Tender specifies an Optional Tender Date that is not a business day, then such notice shall be deemed to specify the next following business day as the Optional Tender Date. Unless a notice of Optional Tender indicates that less than the entire principal amount of the Series 1997 Bond is being tendered for purchase, the holder will be deemed to have tendered the Series 1997 Bond in its entire principal amount for purchase.

Upon delivery of a written notice of Optional Tender, the election to tender shall be irrevocable and binding upon such holder and may not be withdrawn.

If a written notice of Optional Tender shall have been duly given with respect to any Series 1997 Bond, the holder of such Series 1997 Bond shall deliver such Series 1997 Bond to the Tender Agent at its principal office at or before 1:00 p.m. (Birmingham, Alabama time) on the Optional Tender Date, together with an instrument of assignment of transfer duly executed in blank. Any Series 1997 Bond for which a notice of Optional Tender has been given but which is not so delivered to the Tender Agent (an "Unsurrendered Bond") shall nevertheless be deemed to have been tendered by the holder thereof on the Optional Tender Date. If there has been irrevocably deposited in the Bond Purchase Fund created under the Indenture an amount sufficient to pay the purchase price of all Series 1997 Bonds tendered or deemed to be tendered for purchase on an Optional Tender Date, any Unsurrendered Bond shall be deemed to have been tendered for purchase and purchased from the holder thereof on such Optional Tender Date and the holder of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the Optional Tender Date.

Anything in this Series 1997 Bond or the Indenture to the contrary notwithstanding, no Optional Tender of Series 1997 Bonds shall be permitted (i) for Pledged Series 1997 Bonds (as defined in the Indenture), (ii) for any Series 1997 Bond which is deemed fully paid within the meaning of the Indenture, or (iii) for any Series 1997 Bond during a Fixed Rate Period.

Except as provided below with respect to the delivery of a Retention Notice, the holder of each Series 1997 Bond shall be required to tender such Series 1997 Bond to the Tender Agent for purchase on the following dates (each such date being herein called a "Mandatory Tender Date"): (i) each proposed Conversion Date, (ii) the date immediately following the expiration of a Fixed Rate Period, (iii) the first day of the calendar month in which the Stated Expiration Date (as defined in the Indenture) of the Letter of Credit or any Alternate Credit Facility delivered under the Indenture occurs, and (iv) twenty (20) days after the Bond Trustee receives written notice from the Credit Obligor (A) stating that an event of default, as therein defined, has occurred and is continuing under the Credit Agreement and (B) directing the Bond Trustee to effect a Mandatory Tender. If any of such dates is not a business day, the Mandatory Tender Date shall be deemed to be the next succeeding business day.

Notice of a Mandatory Tender shall be given by the Bond Trustee by registered or certified mail, mailed to the holders of all Series 1997 Bonds at their addresses appearing on the bond register not less than thirty (30) days prior to the Mandatory Tender Date. Such notice of Mandatory Tender shall, among other things, specify the Mandatory Tender Date and the

Letter of Credit or Alternate Credit Facility (if any) which will be in effect during the ensuing period.

In the case of any Mandatory Tender (except as hereinafter provided), the holder of any Series 1997 Bond may, by delivery of a written notice (a "Retention Notice") to the Bond Trustee not less than fifteen (15) days prior to such Mandatory Tender Date, elect not to tender or sell such Series 1997 Bond on such Mandatory Tender Date; provided, however, that a Series 1997 Bondholder may not elect to retain any Series 1997 Bonds if such Mandatory Tender is required by the Credit Obligor as a result of an event of default by either or both of the Lessee or the Foundation under the Credit Agreement. Any such Retention Notice must be in writing, must be duly executed by the Bondholder, must specify the certificate number of the Series 1997 Bond with respect to which such Retention Notice is given, and must acknowledge that such holder has received the related Mandatory Tender Notice. A form of Retention Notice may be obtained from the Bond Trustee upon request. Upon delivery of a written Retention Notice, the election not to tender shall be irrevocable and binding upon the holder and may not be withdrawn.

All Series 1997 Bonds (other than any Series 1997 Bond with respect to which a Retention Notice has been properly delivered to the Bond Trustee) shall be tendered by the holders thereof for purchase at or before 1:00 p.m. (Birmingham, Alabama time) on the Mandatory Tender Date, by delivering such Series 1997 Bonds to the Bond Trustee at its principal office or to the Tender Agent at its principal office, together with an instrument of assignment or transfer duly executed in blank. All Series 1997 Bonds so to be purchased that are not delivered to the Tender Agent on the Mandatory Tender Date ("Unsurrendered Bonds") shall nevertheless be deemed to have been tendered for purchase by the holders thereof on the Mandatory Tender Date. If there has been irrevocably deposited in the Bond Purchase Fund an amount sufficient to pay the purchase price of all Series 1997 Bonds tendered or deemed tendered for purchase on the Mandatory Tender Date (except Series 1997 Bonds as to which a Retention Notice has been received), any Unsurrendered Bond shall be deemed to be tendered for purchase and purchased from the holder thereof on such Mandatory Tender Date and the holder of any Unsurrendered Bond shall not be entitled to receive interest on such Unsurrendered Bond for any period on and after the relevant Mandatory Tender Date.

After notice of a Mandatory Tender has been given by the Bond Trustee, the Series 1997 Bonds shall be subject to Mandatory Tender (unless a Retention Notice is given with respect to such Series 1997 Bonds) notwithstanding the fact that the reasons for giving such notice cease to exist or are no longer applicable.

The Series 1997 Bonds shall be subject to redemption prior to maturity as follows:

- (1) The Series 1997 Bonds shall be redeemed in whole or in part in multiples of \$5,000 from the proceeds of condemnation of all or substantially all of the Project or in whole from the proceeds of the exercise of an option by the Lessee to purchase the Project pursuant to the provisions of the Lease, at any

time, at a redemption price equal to the principal amount being redeemed plus accrued interest to the redemption date.

(2) In the event of a "Determination of Taxability", as defined in the Lease, the Series 1997 Bonds shall be redeemed in whole, at any time, at a redemption price equal to the principal amount of the Series 1997 Bonds redeemed plus accrued interest to the redemption date.

(3) During any Fixed Rate Period, the Series 1997 Bonds shall be subject to optional redemption by the Authority (exercised upon direction of the Lessee, if no Event of Default exists under the Lease) as a whole or in part in multiples of \$5,000 on any date during the redemption periods set forth in the table below at the applicable redemption price (expressed as a percentage of the principal amount to be redeemed) set forth in said table plus accrued interest to the date fixed for redemption:

<u>Redemption Period</u>	<u>Redemption Price</u>
Fixed Rate Period of 5 years or less:	
Not subject to redemption	N/A
Fixed Rate Period of more than 5 years but not more than 10 years:	
5th anniversary of Conversion Date through day prior to 7th anniversary	101%
7th anniversary of Conversion Date and thereafter	100%

If less than all Series 1997 Bonds Outstanding are called for redemption, the Series 1997 Bonds to be redeemed shall be selected by the Bond Trustee by lot.

(4) During any Variable Rate Period, the Series 1997 Bonds will be subject to redemption prior to maturity by the Authority, at the option of the Lessee, as a whole or in part in multiples of \$5,000 on any date, at a redemption price equal to the principal amount of the Series 1997 Bonds called for redemption plus accrued interest thereon to the redemption date.

The Bond Trustee, at the expense of the Lessee, shall mail notice of the call for redemption identifying the Series 1997 Bonds being called and the date on which they shall be presented for payment by registered or certified mail placed in the mails not more than sixty (60)

nor less than thirty (30) days prior to the date fixed for redemption to the registered owner of any Series 1997 Bond called for redemption at his registered address; provided, however, that failure to give such notice, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Series 1997 Bond with respect to which no such failure or defect occurred. After the date specified in such call, the Series 1997 Bonds being called will cease to bear interest provided funds for their payment have been deposited with the Bond Trustee, and, except for the purpose of payment, shall no longer be protected by the Indenture and shall not be deemed to be Outstanding under the provisions of the Indenture.

The Authority, with the consent of the Lessee, is authorized by the Indenture to issue thereunder, upon the terms and conditions therein specified, additional bonds that are secured on a parity with the Series 1997 Bonds as respects the security afforded by the Indenture. Such additional parity bonds may be issued, at any time and from time to time, for the purposes of (i) obtaining funds, if additional funds are needed, to pay the costs of completing the acquisition, construction and installation of the Project, (ii) obtaining funds to pay the costs of making additions and improvements to the Project, (iii) refunding and retiring all or any portion of any one or more series of bonds then Outstanding under the Indenture and (iv) any combination of the foregoing purposes (the Series 1997 Bonds and all such additional parity bonds being herein together called the "Bonds").

The principal of and the interest and premium (if any) on the Bonds are payable solely from the revenues and receipts to be derived from the leasing or sale of the Project and, in the case of the Series 1997 Bonds only, moneys received by the Bond Trustee pursuant to the Series 1997 Guaranty and with respect to principal and interest only, moneys received by the Bond Trustee pursuant to the Letter of Credit. The payment of the principal of and the interest and premium (if any) on the Bonds is secured, pro rata and without preference or priority of one Bond over another or of the Bonds of any one series over the Bonds of any other, by a valid pledge of the aforesaid revenues, receipts and moneys out of which the Bonds are solely payable (including specifically the "Basic Rent" payable to the Authority by the Lessee under the Lease) and by an assignment to the Bond Trustee of all right, title and interest of the Authority in and to the Lease (except certain expense reimbursement and indemnification rights of the Authority and certain other rights which are expressly reserved to the Authority); provided, however, that the Series 1997 Guaranty and the Letter of Credit shall be for the exclusive benefit of the holders of the Series 1997 Bonds and all moneys received by the Bond Trustee under the Letter of Credit shall be applied solely for the payment of the principal of and the interest on the Series 1997 Bonds and the purchase price of any Series 1997 Bond tendered (or deemed to be tendered) to the Tender Agent for purchase in accordance with the provisions hereof. Reference is hereby made to the Lease, the Indenture, the Series 1997 Guaranty and the Letter of Credit for complete information respecting the nature and extent of the security afforded by each of such instruments, the rights and duties of the Authority and the Bond Trustee with respect thereto, the rights of the holders of the Series 1997 Bonds and the terms and conditions on which additional series of Bonds may be issued.

The Indenture provides, inter alia, (a) that upon the occurrence and continuation of certain events of default as therein provided, the Bond Trustee may declare the principal of and the interest accrued on this bond immediately due and payable, whereupon the same shall thereupon become immediately due and payable and the Bond Trustee shall be entitled to pursue the remedies provided in the Indenture, (b) that the holder of this bond shall have no right to enforce the provisions of the Indenture except as provided therein and then only for the equal and pro rata benefit of the holders of all the Bonds, and (c) that if this bond shall not be presented for payment when due (whether by maturity or otherwise) and if funds sufficient for such payment shall have been made available to the Bond Trustee therefor, all liability of the Authority to the holder of such bond and all rights of such holder against the Authority under such bond or under the Indenture shall cease and terminate and that the sole right of such holder shall thereafter be against the said funds so made available, which the Bond Trustee is required to set aside and hold, subject to any applicable escheat or other similar law, for the benefit of such holder. The Indenture also provides that the Authority and the Bond Trustee, with the written consent of the holders of a majority in aggregate principal amount of the Bonds of each series then Outstanding under the Indenture, may at any time and from time to time amend the Indenture subject to the restrictions therein provided.

It is hereby expressly declared, and the holder hereof by acceptance of this bond hereby consents, that the Series 1997 Bonds shall not have or be entitled to any priority of payment or security over the Bonds of any other series hereafter issued under the Indenture, and that any series of Bonds hereafter issued under the Indenture shall be on a parity with the Bonds of all series theretofore issued under the Indenture; provided, however, that the Series 1997 Guaranty and the Letter of Credit shall be for the exclusive benefit of the holders of the Series 1997 Bonds and all moneys received by the Bond Trustee under the Letter of Credit shall be applied solely for the payment of the principal of and the interest on the Series 1997 Bonds and the purchase price of any Series 1997 Bond tendered (or deemed to be tendered) to the Tender Agent for purchase in accordance with the provisions hereof.

The Authority is a public corporation organized and existing under the laws of the State of Alabama, and the Series 1997 Bonds are authorized to be issued for the purposes for which bonds are authorized to be issued under the provisions of Title 16, Chapter 17 of Code of Alabama 1975. The Series 1997 Bonds and the covenants and representations contained in the Indenture do not and shall never constitute a general liability or charge against the general credit of the Authority. Neither the State of Alabama nor the Authority nor any other political subdivision of said state shall in any manner be liable for payment of the principal of or the interest or premium (if any) on the Series 1997 Bonds or for the performance of the undertakings of the Authority contained herein or in the Indenture.

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

The Series 1997 Bonds are issuable as fully registered bonds in the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof (or, during a Fixed Rate Period of 9 months or more, \$5,000 or any integral multiple thereof). Provision is made in the Indenture for the exchange of Series 1997 Bonds for a like aggregate principal amount of Series 1997 Bonds in authorized denominations, all as may be requested by the holder surrendering the Series 1997 Bond or Bonds to be so exchanged and upon the terms and conditions specified in the Indenture.

This bond is transferable by the registered holder hereof in person, or by duly authorized attorney, only on the books of the Bond Trustee and only upon surrender of this bond to the Bond Trustee for cancellation, and upon any such transfer a new fully registered bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly provided in the Indenture. ANY ASSIGNEE OR TRANSFEREE OF THIS BOND TAKES IT SUBJECT TO ALL PAYMENTS OF PRINCIPAL, INTEREST AND PREMIUM IN FACT MADE WITH RESPECT HERETO, WHETHER OR NOT SUCH PAYMENTS ARE REFLECTED BY ENDORSEMENT ON THIS BOND OR ANY PAYMENT RECORD PERTAINING HERETO.

The Bond Trustee shall not be required to transfer or exchange this bond during the period between any Record Date and the Interest Payment Date to which such Record Date is related; and in the event this bond (or any portion of the principal hereof) is duly called for redemption, the Bond Trustee shall not be required to transfer or exchange it during the period of forty-five (45) days next preceding the date fixed for such redemption.

Execution by the Bond Trustee or an authorized agent thereof of the authentication certificate hereon is essential to the validity hereof and is conclusive of the due issue hereof under the Indenture.

IN WITNESS WHEREOF, the Authority has caused this bond to be executed in its name and behalf with the manual or facsimile of the signature of the Chairman of its Board of Directors, has caused its official seal or a facsimile thereof to be hereunto affixed, has caused this bond to be attested with the manual or facsimile of the signature of the Secretary of the Authority, and has caused this bond to be dated the date set forth above.

THE EDUCATIONAL BUILDING AUTHORITY
OF THE TOWN OF INDIAN SPRINGS VILLAGE

By _____
Chairman of the Board of Directors

ATTEST:

Secretary

[S E A L]

[Form of Bond Trustee's Authentication Certificate]

DATE OF AUTHENTICATION:

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

AMSOUTH BANK,
Bond Trustee

By _____
Its Authorized Officer

[Form of Assignment]

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

DATED this _____ day of _____

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

[Form of Signature Guaranty]

Signature Guaranteed:

(Bank, Trust Company or Firm)*

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange Medallion Signature Program (MSP).

Section 7.11 Execution and Delivery of Series 1997 Bonds. The Series 1997 Bonds shall be forthwith executed and delivered to the Bond Trustee and shall be authenticated and delivered by the Bond Trustee from time to time upon receipt by the Bond Trustee of an order signed on behalf of the Authority by the Chairman or the Vice Chairman of the Directors requesting such authentication and delivery and designating the Person or Persons to receive the same or any part thereof.

Section 7.12 Application of Proceeds from the Sale of Series 1997 Bonds. The entire proceeds derived from the sale of the Series 1997 Bonds shall be paid to the Bond Trustee and promptly thereafter applied by the Bond Trustee for the following purposes and in the following order:

(a) payment into the Bond Fund Primary Account of that portion of such proceeds (if any) that is allocable to accrued interest;

(b) payment of the sum of \$_____ to Porter, White & Company, Inc., as its placement fee (exclusive of expenses);

(c) payment of the sum of \$2,203,703.91 to Regions Bank in full payment of the outstanding principal of and accrued but unpaid interest on the Refunded Bonds; and

(d) payment of the balance of such proceeds into the Construction Fund.

Section 7.13 Drawings under Letter of Credit; Surrender Thereof. The Authority hereby authorizes and directs the Bond Trustee, and the Bond Trustee hereby agrees, to draw moneys under the Letter of Credit in accordance with the amounts available thereunder as shall be necessary (a) to make timely payments of the principal of and interest on the Series 1997 Bonds and (b) to purchase the Series 1997 Bonds from the Holders thereof in accordance with the provisions thereof. The Authority hereby further authorizes and directs the Bond Trustee, and the Bond Trustee hereby agrees, to take such actions as the Bond Trustee determines are necessary to receive moneys under any Alternate Credit Facility that may hereafter be provided to the Bond Trustee, in such amounts as shall be needed to make timely payment of the principal or the purchase price of, and the interest on, the Series 1997 Bonds.

The Bond Trustee agrees to surrender the then-effective Letter of Credit for cancellation on, and shall not submit any demand for a drawing thereunder after, (i) 4:00 p.m. (Birmingham, Alabama time) on the Termination Date (as defined in the Letter of Credit); (ii) the close of business on the date on which the principal of and interest on the Series 1997 Bonds shall have been paid in full; or (iii) the close of business on the day on which the Bond Trustee has accepted a Substitute Letter of Credit or an Alternate Credit Facility.

Section 7.14 Substitute Letter of Credit. The Lessee may at any time and from time to time deliver another irrevocable letter of credit (a "Substitute Letter of Credit") to the Bond Trustee in substitution for the Letter of Credit or Alternate Credit Facility then held by the Bond Trustee (the "Existing Letter of Credit"), provided that (1) such Substitute Letter of Credit complies with the applicable conditions set forth in this Section 7.14 and (2) simultaneously with

the delivery of such Substitute Letter of Credit, the Lessee delivers to the Bond Trustee any related documentation required by this Section 7.14 (the "Related Documentation"), except as provided in subparagraph (f) of this section.

(a) Mandatory Tender Upon Failure to Deliver. The Lessee may, but shall not be required to, deliver such a Substitute Letter of Credit to the Bond Trustee; provided, however, that if a Substitute Letter of Credit and the Related Documentation are not delivered to the Bond Trustee at least fifty (50) days prior to the Stated Expiration Date of the then Existing Letter of Credit, the Series 1997 Bonds shall be subject to a Mandatory Tender in accordance with the provisions of Section 7.6 hereof.

(b) Delivery and Criteria. The Lessee shall deliver written notice of its intention to deliver a Substitute Letter of Credit to the Bond Trustee at least 60 days' prior to the delivery of same. Any such notice shall contain sufficient information respecting the proposed Substitute Letter of Credit to enable the Bond Trustee to prepare any Notice of Mandatory Tender that is required to be mailed to Bondholders, under the provisions of Section 7.6 hereof, in connection with the delivery of such Substitute Letter of Credit. Each Substitute Letter of Credit delivered to the Bond Trustee pursuant to this Section 7.14 must meet the following criteria:

(1) such Substitute Letter of Credit must be substantially in the same form and of the same tenor as the Initial Letter of Credit (and which may consist of an amendment or extension of an Existing Letter of Credit), except that such Substitute Letter of Credit must provide for the payment of interest on the Series 1997 Bonds (or the interest portion of the purchase price of Series 1997 Bonds tendered, or deemed tendered, for purchase) at the Cap Rate, for whichever of the following periods shall be applicable: (i) if such Substitute Letter of Credit is to be effective during a Variable Rate Period, not less than 40 days, or (ii) if such Substitute Letter of Credit is to be effective during a Fixed Rate Period, a number of days not less than the sum of 15 days plus the maximum number of days between Interest Payment Dates with respect to such Fixed Rate Period;

(2) if such Substitute Letter of Credit is being delivered in connection with a conversion of the interest rate to a Fixed Rate, (i) its effective date shall be not later than the Conversion Date and (ii) such Substitute Letter of Credit must provide for the payment of any premium applicable to a redemption of Series 1997 Bonds during the Fixed Rate Period; and

(3) such Substitute Letter of Credit must have a Stated Termination Date that is (i) the 15th day of a calendar month and (ii) not sooner than one year after its effective date; provided, however, that any Substitute Letter of Credit that is to be substituted for an Existing Letter of Credit that is effective during a Fixed Rate Period must have a Stated Expiration Date that is not earlier than the Stated Expiration Date of such Existing Letter of Credit.

(c) Related Documentation. Subject to the provisions of subparagraph (e) of this section, each Substitute Letter of Credit delivered to the Bond Trustee must be accompanied by the following (herein referred to as the "Related Documentation"), to the extent applicable:

(1) if any Rating Agency maintains a rating with respect to the Series 1997 Bonds at the time of delivery of such Substitute Letter of Credit to the Bond Trustee, written evidence from each such Rating Agency to the effect that the substitution of the proposed Substitute Letter of Credit will not, by itself, result in a reduction or withdrawal of its rating then assigned to the Series 1997 Bonds;

(2) if no rating by any Rating Agency is then maintained with respect to the Series 1997 Bonds, written evidence that the issuer of the Substitute Letter of Credit holds a rating maintained by any Rating Agency at least equal to the rating then held by the issuer of the Letter of Credit, if any, in effect, and if none, by the Credit Obligor;

(3) an opinion of Bond Counsel stating in effect that the delivery of such Substitute Letter of Credit is authorized under this Indenture and will not cause interest on the Series 1997 Bonds to become Taxable; and

(4) an opinion of counsel for the issuer of such Substitute Letter of Credit stating in effect that such Substitute Letter of Credit is a valid and binding obligation of such issuer and that, upon the filing of a bankruptcy petition by or against the Lessee or the Authority, moneys drawn under such Substitute Letter of Credit will not be subject to a preference claim under the bankruptcy laws of the United States of America.

(d) Release of Existing Letter of Credit. At the close of business on the effective date of any Substitute Letter of Credit, the Bond Trustee shall return the Existing Letter of Credit to the issuer thereof, provided that any draws on such Existing Letter of Credit made on or prior to such date have been honored. Any draws that, under the terms of the Indenture, are to be made on the Existing Letter of Credit on or prior to the effective date of a Substitute Letter of Credit shall be made under the Existing Letter of Credit. Not later than the close of business on the effective date of a Substitute Letter of Credit, the Lessee shall deliver to the Bond Trustee written evidence that all obligations of the Lessee to the issuer of the Existing Letter of Credit for reimbursement of amounts drawn thereunder have been satisfied and, upon receipt of such evidence, any Pledged Series 1997 Bonds held by the Tender Agent for the benefit of the issuer of the Existing Letter of Credit shall be delivered to, or upon the order of, the Lessee.

(e) Notice to Bondholders. If the Bond Trustee accepts a Substitute Letter of Credit as herein provided, then, unless such Substitute Letter of Credit was described in a notice of Mandatory Tender, the Bond Trustee shall send written notice of such substitution to the Holders of all Outstanding Series 1997 Bonds.

(f) Extension of Existing Letter of Credit. The term of either the Existing Letter of Credit already held by the Bond Trustee may be extended by delivery by the Credit Obligor to the Bond Trustee of an amendment to such Existing Letter of Credit (or an amended, restated or replacement Letter of Credit), containing the new Stated Expiration Date. Such Letter of Credit, as so amended, restated or replaced, shall not require the delivery of Related Documentation; provided, however, that upon the request of the Bond Trustee, the Lessee shall deliver (or cause to be delivered) to the Bond Trustee an opinion of Bond Counsel to the effect that such extension will not cause the Series 1997 Bonds to be Taxable and an opinion of Counsel stating in effect that such Letter of Credit, as so amended, restated or replaced, is a valid and binding obligation of the issuer thereof.

Section 7.15 Alternate Credit Facility. The Bond Trustee acknowledges the right of the Lessee at any time to provide an Alternate Credit Facility. If at any time there shall have been delivered to the Bond Trustee

- (i) an Alternate Credit Facility;
- (ii) the written consent of the Authority to the delivery of such Alternate Credit Facility;
- (iii) if any Rating Agency maintains a rating with respect to the Series 1997 Bonds at the time of delivery of such Alternate Credit Facility to the Bond Trustee, written evidence from each such Rating Agency to the effect that the substitution of the proposed Alternate Credit Facility will not, by itself, result in a reduction or withdrawal of its rating then assigned to the Series 1997 Bonds;
- (iv) if no rating by any Rating Agency is then maintained with respect to the Series 1997 Bonds, written evidence that the issuer of the Alternate Credit Facility holds a rating maintained by any Rating Agency at least equal to the rating then held by the issuer of the Letter of Credit, if any, in effect, and if none, by the Credit Obligor; and
- (v) an opinion of Bond Counsel stating that the delivery of such Alternate Credit Facility to the Bond Trustee is lawful under applicable law and complies with the terms of the Indenture and that the delivery of such Alternate Credit Facility will not adversely affect the Tax-Exempt status of interest paid on the Series 1997 Bonds,

then the Bond Trustee shall accept such Alternate Credit Facility and upon the effective date of the Alternate Credit Facility promptly surrender any previously held Alternate Credit Facility, Letter of Credit, or Substitute Letter of Credit in accordance with the respective terms thereof for cancellation. If at any time there shall cease to be any Series 1997 Bonds Outstanding hereunder or provision for payment of the Series 1997 Bonds has been made in accordance with

Article XVII hereof, the Bond Trustee shall promptly surrender the Alternate Credit Facility in accordance with the terms of the Alternate Credit Facility for cancellation. The Bond Trustee shall comply with the procedures set forth in the Alternate Credit Facility relating to the termination thereof.

Section 7.16 Book-Entry System. (a) Unless otherwise determined by the Authority, the Series 1997 Bonds shall be initially issued in the form of a separate single certificated fully registered Series 1997 Bond for each maturity of the Series 1997 Bonds. Upon initial issuance, the ownership of each Series 1997 Bond shall be registered in the registration books kept by the Bond Trustee, as registrar, in the name of Cede, as nominee of DTC. Except as provided in Section 7.16(d) hereof, all of the Outstanding Series 1997 Bonds shall be registered in the registration books kept by the Bond Trustee, as Series 1997 Bond Registrar, in the name of Cede, as nominee of DTC.

(b) With respect to Series 1997 Bonds registered on the registration books kept by the Series 1997 Bond Registrar in the name of Cede, as nominee of DTC, the Authority and the Bond Trustee shall have no responsibility or obligation to any DTC Participant or to any person on behalf of which a DTC Participant holds an interest in the Series 1997 Bonds. Without limiting the immediately preceding sentence, the Authority and the Bond Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Series 1997 Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Series 1997 Bondholder, as shown in the registration books kept by the Series 1997 Bond Registrar, of any notice with respect to the Series 1997 Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Series 1997 Bondholder, as shown in the registration books kept by the Series 1997 Bond Registrar, of any amount with respect to principal of, premium, if any, or interest on the Series 1997 Bonds. The Authority and the Bond Trustee may treat and consider the person in whose name each Series 1997 Bond is registered in the registration books kept by the Series 1997 Bond Registrar as the Holder and absolute owner of such Series 1997 Bond for the purpose of payment of principal, premium and interest with respect to such Series 1997 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 1997 Bond, for the purpose of registering transfers with respect to such Series 1997 Bond, and for all other purposes whatsoever. The Bond Trustee shall pay all principal of, premium, if any, and the interest on the Series 1997 Bonds only to or upon the order of the respective Series 1997 Bondholders, as shown in the registration books kept by the Bond Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of, premium, if any, and interest on the Series 1997 Bonds to the extent of the sum or sums so paid. No person other than a Series 1997 Bondholder, as shown in the registration books kept by the Bond Trustee, shall receive a certificated Series 1997 Bond evidencing the obligation of the Authority to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Bond Trustee of written notice to the effect that DTC has determined to substitute a new

nominee in place of Cede, the word "Cede" in this Indenture shall refer to such new nominee of DTC.

(c) The Representation Letter shall not in any way limit the provisions of Section 7.16(b) hereof or in any other way impose upon the Authority any obligation whatsoever with respect to persons having interests in the Series 1997 Bonds other than the Series 1997 Bondholders, as shown on the registration books kept by the Bond Trustee. The Bond Trustee shall take all action necessary for all representations of the Authority in the Representation Letter with respect to the Paying Agents and the Series 1997 Bond Registrar, respectively, to at all times be complied with.

(d) (i) DTC may determine to discontinue providing its services with respect to the Series 1997 Bonds of either series at any time by giving notice to the Authority or the Bond Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to either series of the Series 1997 Bonds if the Authority determines that

A. DTC is unable to discharge its responsibilities with respect to either series of the Series 1997 Bonds, or

B. a continuation of the requirement that all of the Outstanding Series 1997 Bonds of either series be registered in the registration books kept by the Bond Trustee in the name of Cede, or any other nominee of DTC, is not in the best interest of the beneficial owners the Series 1997 Bonds.

(iii) Upon the termination of the services of DTC with respect to of the Series 1997 Bonds pursuant to subsection 7.16(d)(ii)(B) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Series 1997 Bonds pursuant to subsection 7.16(d)(i) or subsection 7.16(d)(ii)(A) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, the Authority is obligated to deliver Series 1997 Bond certificates at the expense of the beneficial owners of the applicable series of the Series 1997 Bonds, and such series of the Series 1997 Bonds shall no longer be restricted to being registered in the registration books kept by the Bond Trustee in the name of Cede as nominee of DTC, but may be registered in whatever name or names Series 1997 Bondholders transferring or exchanging such series of Series 1997 Bonds shall designate, in accordance with the provisions of this Indenture.

(e) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 1997 Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 1997 Bond and all notices

with respect to such Series 1997 Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE VIII

ADDITIONAL BONDS

Section 8.1 Additional Bonds—In General. If no Event of Default shall have occurred and be continuing, the Authority may at any time and from time to time, if requested by the Lessee, issue Additional Bonds, within the limitations of and upon compliance with the provisions of this Article VIII, for any one or more of the following purposes:

(a) in the event the available proceeds from the sale of the Series 1997 Bonds are insufficient to pay all the Project Development Costs, for the purpose of obtaining funds with which to pay such costs,

(b) for the purpose of acquiring and/or constructing any additions, improvements or modifications (including, without limitation, any additional buildings and/or machinery, equipment or other personal property) to the facilities at the time forming part of the Project,

(c) for the purpose of refunding or otherwise retiring all or any portion of any one or more series of Bonds then Outstanding under the Indenture, and

(d) for any combination of the foregoing purposes.

The Additional Bonds may be in such denomination or denominations, shall bear interest at such rate or rates, shall bear such dates not inconsistent with the provisions hereof, shall mature in such amounts and at such times as are not in conflict with the provisions hereof, shall be in such form and may contain such provisions for redemption prior to maturity, all as may be provided in the Supplemental Indenture under which they are issued; provided that all such Additional Bonds shall be subject to redemption at any time, at such redemption price or prices as shall be fixed prior to their issuance, if (i) the Lessee shall exercise the option to purchase the Project granted in Section 11.2 of the Lease or (ii) all or substantially all of the Project shall be taken under the exercise of the power of Eminent Domain (as defined in the Lease). Any redemption of Additional Bonds prior to maturity shall be effected in the manner set forth in and shall be subject to the provisions of Article VI hereof. All Additional Bonds so issued shall contain an appropriate series designation sufficient to distinguish each series of the Bonds from every other series.

Section 8.2 Conditions Precedent to Issuance of Additional Bonds. Prior to the issuance of any Additional Bonds, the Authority shall deliver to the Bond Trustee those of the Additional Bonds proposed to be issued, duly executed and sealed, accompanied by the following:

(a) Consent of the Credit Obligor. Until the Letter of Credit shall have terminated and all amounts owed to the Credit Obligor under the Credit Agreement shall have been paid in full, the prior written consent of the Credit Obligor;

(b) Supplemental Indenture. A Supplemental Indenture duly executed, sealed and acknowledged on behalf of the Authority and containing the following: (i) a description of such Additional Bonds, including the aggregate principal amount, the numbers and series designation, the denomination or denominations, the date, the interest rate or rates and the maturity or maturities thereof, the provisions for redemption thereof prior to maturity and the forms of such Additional Bonds and the various certificates applicable thereto, (ii) a confirmation of the pledge and assignment of the entire Trust Estate [including the agreement supplemental to the Lease referred to in subsection (d) of this section] made in the Indenture, (iii) provision for the creation of an additional account or accounts of the Bond Fund (and, if applicable, the Bond Purchase Fund) for the purpose of providing for payment of each such issue of Additional Bonds, and (iv) any other provisions that do not conflict with the provisions hereof;

(c) Proceedings. A certified copy of the proceedings taken by the Directors authorizing the issuance of such Additional Bonds and the execution and delivery of the Supplemental Indenture providing therefor, which said proceedings shall include a Resolution requesting the Bond Trustee to authenticate and deliver such Additional Bonds and reciting the following: (i) that no Event of Default has occurred and is continuing and that no event which, with the giving of notice or the passage of time or both, would constitute an Event of Default has occurred and is continuing, (ii) the Person or Persons to whom such Additional Bonds have been sold and awarded and shall be delivered, (iii) the purchase price of such Additional Bonds, and (iv) a list of all Additional Bonds previously issued by the Authority hereunder and at the time Outstanding and of the Supplemental Indentures under which they were issued;

(d) Supplemental Lease. A fully executed and acknowledged copy of an agreement between the Authority and the Lessee supplemental to the Lease containing the following [to the extent applicable in the case of clauses (ii) and (iii) below]: (i) an agreement by the Lessee to pay additional, supplemental or changed Basic Rent in amounts that will result in there being on deposit in the Bond Fund sums at least sufficient to pay, on or prior to the respective due dates thereof, the principal of and the interest and premium (if any) on all Bonds that

will be Outstanding hereunder immediately following the issuance of such Additional Bonds, (ii) in the event the last maturity of such Additional Bonds is subsequent to the date of expiration of the then current "Lease Term" of the Lease, an extension of such "Lease Term" until or beyond the last maturity of such Additional Bonds, (iii) provisions subjecting to the demise of the Lease all properties acquired and to be acquired in connection with any additions, improvements and modifications to the Project, and (iv) any other provisions not in conflict with the Indenture or the Lease;

(e) Opinion of Lessee Counsel. An opinion, acceptable to the Bond Trustee and dated as of the date of the issuance of such Additional Bonds, of counsel for the Lessee acceptable to the Bond Trustee stating in substance that the Lease, as supplemented by the supplemental agreement provided for in subsection (d) of this Section 8.2, has been duly authorized, executed and delivered on behalf of the Lessee and constitutes a valid and binding agreement of the Lessee;

(f) Opinion of Independent Counsel. An opinion, acceptable to the Bond Trustee and dated as of the date of the issuance of such Additional Bonds, of Independent Counsel acceptable to the Bond Trustee [which Independent Counsel may, but need not, be the Bond Counsel rendering the opinion required by subsection (g) of this section] approving the forms of all documents required by the preceding portions of this section to be delivered to the Bond Trustee and stating that they comply with the applicable requirements of this article;

(g) Opinion of Bond Counsel. An opinion, dated as of the date of the issuance of such Additional Bonds, of Bond Counsel approving the validity of such Additional Bonds; and

(h) Letter of Credit. Either (i) an amended or substituted Letter of Credit providing for the payment of the principal of and interest on all Bonds that will be Outstanding after the issuance of such series of Additional Bonds or (ii) materials fully disclosing to all Bondholders the extent to which the payment of the principal of and the interest on any such Bonds will not be so secured by a Letter of Credit.

Upon receipt of the documents required by the provisions of this section to be furnished to it, the Bond Trustee shall, unless it has cause to believe any of the statements set out in said documents to be incorrect, thereupon execute the Supplemental Indenture so presented and cause the same to be filed for record at the expense of the Authority in the public office or offices in the State of Alabama in which such document is then required by law to be filed in order to constitute constructive notice thereof, and it shall further authenticate the Additional Bonds with respect to which the said documents shall have been provided and shall, upon receipt of evidence satisfactory to it that the Authority has received the purchase price or other consideration

therefor, deliver such Additional Bonds to the Person or Persons to whom the Resolution provided for in subsection (c) of this section directed that they be delivered.

ARTICLE IX

CONCERNING THE PROJECT DEVELOPMENT WORK AND PAYMENT OF PROJECT DEVELOPMENT COSTS

Section 9.1 Agreement Respecting Completion of Project Development Work. The Authority will undertake and complete the Project Development Work or will cause the same to be undertaken and completed, all as and to the extent provided in Article IV of the Lease. The Authority will complete the Project Development Work, or cause the same to be completed, as soon as may be practicable, delays incident to any condition or event beyond the reasonable control of the Authority only excepted, including, without limitation, strikes, riots, acts of God and the public enemy. The Authority will promptly pay or cause to be paid, as and when due, all Project Development Costs, but the Authority's obligation to pay such costs shall be limited to moneys on deposit in the Construction Fund and such other funds for the payment of such costs as may be made available by the Lessee under the provisions of the Lease.

The Authority will not suffer or permit any mechanics' or materialmen's liens that might be filed or otherwise claimed or established upon or against the Project or any part thereof, and which might be or become a lien superior to the lien hereof, to remain unsatisfied and undischarged for a period exceeding thirty (30) days after the filing or establishment thereof; provided, however, that the Authority may in good faith contest any such mechanics' or materialmen's lien claims so filed or established and, in the event that such lien claims are so contested, may permit the mechanics' or materialmen's liens so contested to remain unsatisfied and undischarged during the period of such contest and any appeal therefrom, irrespective of whether such period extends beyond the thirty (30) day period after the filing or establishment of such liens, unless the Bond Trustee shall be of the opinion that by such action the lien of the Indenture to any part of the Project shall be materially endangered or the Project or any part thereof shall be subject to loss or forfeiture, in which event such mechanics' or materialmen's liens shall (unless they are bonded or superseded in a manner satisfactory to the Bond Trustee) be satisfied prior to the expiration of said thirty (30) day period.

Section 9.2 Construction Fund. There is hereby created a special trust fund, the name of which shall be the "Indian Springs School Project Construction Fund", for the purpose of providing funds for the payment of Project Development Costs. The Bond Trustee shall be and remain the depository, custodian and disbursing agent for the Construction Fund. As provided in Section 7.12 hereof, there shall be deposited in the Construction Fund certain principal proceeds derived from the sale of the Series 1997 Bonds. All net income at any time derived from the investment and reinvestment of moneys at any time held in the Construction

Fund (including income derived from the investment and reinvestment of previously derived income) shall be paid or credited into the Construction Fund.

The moneys in the Construction Fund shall be disbursed by the Bond Trustee from time to time for the purpose of paying Project Development Costs, but only upon receipt of a requisition signed by an Authorized Lessee Representative or by two Authorized Board of Governors Representatives and containing, with respect to each such payment, the following:

(a) a statement of the amount requested to be paid, the name and address of the Person (which may be the Bond Trustee, the Lessee, an Affiliate of the Lessee or a member of the Board of Governors) to whom such payment is due and the particular Project Development Cost which is to be paid pursuant to such requisition;

(b) a certification that to the knowledge of the Authorized Lessee Representative or the two Authorized Board of Governors Representatives, as applicable, signing such requisition none of the Authority, any officer thereof or member of the governing body thereof, or any employee of the Authority has received or will receive any discount, rebate, commission, fee, proceeds from insurance or other compensation or benefit, whether direct or indirect, in connection with the payment requested by such requisition, except as may otherwise be disclosed in any letter or other information submitted with such requisition;

(c) a certification that neither the Lessee nor the Board of Governors nor any director, officer or employee of the Lessee or the Board of Governors has received or will receive any discount, rebate, commission, fee, proceeds from insurance or other compensation or benefit, whether direct or indirect, in connection with the payment requested by such requisition, except as may otherwise be disclosed in any letter or other information submitted with such requisition;

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

(e) a certification that, except for such matters as have been specifically disclosed in any letter or other information submitted with such requisition, (i) there are no mechanics' or materialmen's liens, chattel mortgages, conditional sales or title retention agreements now in existence or pending which relate to the acquisition, construction and installation of the Project, except inchoate liens for labor or material payment for which is either not yet due and payable or is to be made pursuant to such requisition, and (ii) there are no outstanding notices of any requirements of any governmental authorities in any way concerning the Project (including, without limitation, the acquisition, construction and installation of any part thereof) which have not been satisfied;

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

(g) a certification that the payment requested in such requisition has not formed the basis for any previous requisition for the disbursement of moneys from the Construction Fund or any previous payment out of the proceeds derived by the Authority from the sale of the Series 1997 Bonds;

(h) in the case of a requisition for payment of any part of the costs of constructing the Project Facilities or other permanent improvements (whether bills or contractors' estimates), a certification that the labor, services or materials represented thereby are located on, or are referable to, the Project Site;

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

(j) a certification as to what portion (if any) of the amount to be paid pursuant to such requisition will be used for the payment of Project Development Costs not constituting Qualifying Project Development Costs; and

(k) a certification that the payment requested in such requisition will not result, as of the making of such payment, in the use for any purpose other than the payment of Qualifying Project Development Costs of more than five percent (5%) of those net proceeds [as such term is used in Section 145 of the Code] of the Series 1997 Bonds.

The requirements of this paragraph shall apply to all disbursements from the Construction Fund, including those made to reimburse the Lessee for Project Development Costs theretofore paid by the Lessee.

The Bond Trustee will keep and maintain adequate records pertaining to the Construction Fund and all moneys received therein and disbursed therefrom, and when all moneys in the Construction Fund have been exhausted, whether on the Completion Date or thereafter in accordance with the provisions of Section 9.3 hereof, the Bond Trustee will file with the Authority and the Lessee an accounting of all moneys received into and disbursed from the Construction Fund.

Section 9.3 Transfer of Moneys from Construction Fund After Completion Date.

The completion of the expansion and improvement of the Project and the payment of all Project Development Costs (except for amounts to be retained by the Bond Trustee at the Lessee's direction, as hereinafter provided, for any such costs not then due and payable or the liability for payment of which is being contested) shall be established to the Bond Trustee by a certificate signed by an Authorized Lessee Representative or an Authorized Board of Governors Representative as provided in Section 4.6 of the Lease. On the Completion Date, or as promptly thereafter as practicable, the Bond Trustee shall set aside in the Construction Fund such amount as the Lessee, by written order signed in its behalf by an Authorized Lessee Representative or an Authorized Board of Governors Representative and furnished to the Bond Trustee simultaneously with the aforesaid certificate establishing the Completion Date, may direct for the payment of any Project Development Costs not then due and payable or the liability for payment of which is then being contested by the Lessee, or by the Authority at the direction of the Lessee. After setting aside the amount (if any) required by the preceding sentence so to be set aside, the Bond Trustee shall promptly apply the remaining balance of the Construction Fund in accordance with the succeeding provisions of this section, but only to the extent of paying Project Development Costs that were incurred prior to the Completion Date; provided, however, that any moneys so set aside shall, at the direction of the Lessee, be applied by the Bond Trustee in accordance with the succeeding provisions of this section, irrespective of whether all the Project Development Costs with respect to which such moneys were so set aside shall have been paid; and provided further that, in the event of a Lease Default, the entire amount then held in the Construction Fund shall, notwithstanding any other provisions of this section and without request or direction from the Lessee, be promptly paid by the Bond Trustee into the Bond Fund Escrow Account.

The Lessee may direct the payment to it of any moneys held in the Construction Fund (including any moneys set aside for the payment of Project Development Costs pursuant to the provisions of the first paragraph of this section) if at the time of such payment (i) the aggregate sum of Project Development Costs theretofore paid out of the Construction Fund exceeds (ii) the aggregate sum of the proceeds of the Bonds (including the Series 1997 Bonds and any Additional Bonds issued to pay Project Development Costs) plus the net amount realized from the investment and reinvestment of such proceeds theretofore deposited in the Construction Fund. If at any time the sum referred to in clause (ii) of the preceding sentence is greater than the sum referred to in clause (i) thereof, any moneys held in the Construction Fund shall not be paid to the Lessee but shall be applied in accordance with the succeeding provisions of this section.

If it shall be determined that any moneys held in the Construction Fund at any time after the Completion Date cannot be applied for any purpose in accordance with any of the preceding provisions of this section, then such moneys shall be paid into the Bond Fund Escrow Account as promptly as practicable after such determination.

Section 9.4 Bond Trustee Protected in Construction Fund Payments; Additional Evidence May Be Required. The Bond Trustee shall be fully protected in making payments from the Construction Fund upon presentation to it of requisitions complying with the requirements of Section 9.2 hereof. The Bond Trustee may rely as to the completeness and accuracy of all statements and certifications contained in such requisitions, and the Bond Trustee shall incur no liability in acting or proceeding in good faith upon such requisitions and shall be under no duty to make any investigation or inquiry as to any statements or certifications contained in any of such requisitions, but may accept and rely upon the same as conclusive evidence of the truth and accuracy of such statements and certifications.

Section 9.5 Investment of Construction Fund Moneys. Following the issuance of the Series 1997 Bonds, the Board of Governors may thereafter at any time and from time to time request the Bond Trustee to invest the moneys held in the Construction Fund by furnishing to the Bond Trustee a written certificate signed by an Authorized Board of Governors Representative and stating (i) what portions (if any) of the moneys held in the Construction Fund are not then needed for payment of Project Development Costs and (ii) the approximate dates that such presently unneeded moneys will be needed for the payment of Project Development Costs. Promptly after receipt of each such certificate, the Bond Trustee will, to the extent practicable, cause the moneys certified in said certificate as not then needed for the payment of Project Development Costs to be invested in any Eligible Investments having stated maturities in such amounts and on such dates, prior to or corresponding with the dates and amounts specified in said certificate, as to make available from the Construction Fund cash moneys sufficient to meet the needs of the Construction Fund as specified in said certificate. Such certificate may contain either specific or general instructions from the Board of Governors as to the kind of Eligible Investments in which the presently unneeded moneys in the Construction Fund are to be invested, and the Bond Trustee will comply with such instructions to the extent that they are not inconsistent with the applicable provisions hereof; provided that the Board of Governors shall not direct the Bond Trustee to make any investment of moneys in the Construction Fund that would result in any of the Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder.

The Bond Trustee shall convert investments forming a part of the Construction Fund into cash at their respective maturities, may sell or otherwise convert any of such investments into cash if such sale or conversion is necessary to provide for payment of a requisition presented to it pursuant to the provisions of Section 9.2 hereof, and shall, upon written request signed by an Authorized Board of Governors Representative, sell or otherwise convert any of such investments into cash. All net proceeds from the sale or conversion of any investment forming a part of the Construction Fund and all income derived from any such investment shall be and remain part of said fund. The Bond Trustee shall be fully protected in making any such investment, sale or conversion in accordance with the provisions of this section. In any determination of the amount of moneys at any time forming a part of the Construction Fund, all Federal Obligations in which any portion of such fund is at the time so invested shall be included therein at their then market value.

ARTICLE X

APPLICATION OF REVENUES AND CREATION OF SPECIAL FUNDS

Section 10.1 **Bond Fund.** There is hereby created a special trust fund, the name of which shall be the "Indian Springs School Project Bond Principal and Interest Fund", for the purpose of providing for the payment of the principal of and the interest and premium (if any) on the Bonds and which shall be maintained until such principal, interest and premium (if any) have been paid in full. The Bond Fund shall consist of three accounts, namely, the Primary Account, the Escrow Account and the Letter of Credit Account. The Bond Trustee shall be and remain the depository, custodian and disbursing agent for the Bond Fund and for each account forming a part thereof. In any case where moneys are herein required to be paid or transferred into the Bond Fund without direction as into which account such moneys are to be paid or transferred, they shall be paid or transferred into the Bond Fund Primary Account.

There shall be deposited into the Bond Fund Primary Account as and when received:

- (1) Any accrued interest on the initial sale of Series 1997 Bonds by the Authority;
- (2) All Basic Rent required by the Lease in respect of the Series 1997 Bonds; and
- (3) All moneys received by the Bond Trustee under and pursuant to any of the provisions of the Lease or this Indenture which are directed to be paid into the Bond Fund Primary Account.

If the Letter of Credit is then in effect, prior to 4:00 p.m. (Birmingham, Alabama time), on the Business Day next preceding each Bond Payment Date, the Bond Trustee shall, without making any prior claim or demand upon the Lessee for the payment of Basic Rent, make a draw under the Letter of Credit in an amount equal to the amount of Debt Service due on such Bond Payment Date on the Series 1997 Bonds other than Pledged Bonds. Any such money drawn under the Letter of Credit shall be deposited and held in the Letter of Credit Account and shall not be commingled with other money in the Bond Fund. If money from any source other than the Letter of Credit was, at the time of such draw, on deposit in the Bond Fund and available for the payment of Debt Service on the Series 1997 Bonds other than Pledged Bonds, the Bond Trustee shall nevertheless draw under the Letter of Credit to make such payment of Debt Service on the Series 1997 Bonds, and the money available from such other source shall, to the extent of the amount paid by the Credit Obligor against such draw, be paid to the Credit Obligor in immediately available funds on the same Bond Payment Date. All money so drawn under the Letter of Credit shall be used to pay Debt Service on the Series 1997 Bonds other than Pledged

Bonds. Debt Service on Pledged Bonds shall be paid with money deposited in the Bond Fund from any source other than the Letter of Credit. Debt Service due on all Pledged Bonds shall be paid to the Credit Obligor.

The Authority hereby authorizes and directs the Bond Trustee to withdraw sufficient money from the Bond Fund to pay Debt Service on the Series 1997 Bonds as the same become due and payable, whether at maturity, by call for redemption, or otherwise, and to apply such money for the payment of such Debt Service, which authorization and direction the Bond Trustee hereby accepts. Funds for such payments of Debt Service on the Series 1997 Bonds shall be derived from the following sources in the order of priority indicated:

(1) First, money drawn by the Bond Trustee under the Letter of Credit, which shall be used to pay Debt Service on the Series 1997 Bonds other than Pledged Bonds, and

(2) Second, all other moneys on deposit in the Bond Fund.

In the event that any moneys are transferred to the Bond Fund Escrow Account from the Construction Fund in accordance with the provisions of Section 9.3 hereof, such moneys shall be exhausted as soon as practicable by the application thereof for one or more of the following purposes:

(a) for the payment of the principal of the Bonds at or after their respective maturities; provided, that the portion of such moneys that may be applied for the payment of the principal of maturing serial bonds (as the term "serial bonds" is used in Revenue Procedure 81-22, 1986 INT. REV. BULL. No. 24, p. 13, or any successor rule or regulation), shall not exceed an amount that bears the same ratio to the maturing principal amount of said bonds that the total of such moneys bears to the aggregate face amount of the series of the Bonds of which such moneys are proceeds;

(b) for the redemption of Bonds on the earliest practicable date on which under their terms and the terms of the Indenture such redemption may be effected, subject to the condition that moneys in the Bond Fund Escrow Account shall not be used for the payment of any portion of the redemption price of the Bonds so redeemed that constitutes premium;

(c) for the purchase of Bonds for retirement, subject to the condition that moneys in the Bond Fund Escrow Account shall not be used for the payment of any portion of the purchase price of the Bonds so purchased that constitutes premium;

(d) payment of interest on the Bonds at or after the respective due dates of such interest, or payment of any premium in connection with the redemp-

tion or purchase for retirement of any of the Bonds, subject to the condition set forth in the next succeeding sentence.

Anything herein contained to the contrary notwithstanding, no moneys at any time held in the Bond Fund Escrow Account shall be disbursed for the payment of any interest on any of the Bonds, or for the payment of any premium in connection with the redemption or purchase for retirement of any of the Bonds, unless the Bond Trustee is furnished a certificate signed by an Authorized Board of Governors Representative that such disbursement will not result, as of the making of such disbursement, in the use for any purpose other than the payment of Qualifying Project Development Costs of more than five percent (5%) of those net proceeds [as such term is used in Section 145 of the Code] of the Series 1997 Bonds. To the extent that moneys in the Bond Fund Escrow Account can be applied to the payment of the principal of and the interest and premium (if any) on the Bonds in accordance with the preceding conditions of this paragraph, such moneys shall be so applied in preference to any moneys at the time on deposit in the Bond Fund Primary Account, all to the end that moneys at any time held in the Bond Fund Escrow Account shall be exhausted as soon as practicable. If at any time moneys in the Bond Fund Escrow Account cannot be used for the purposes and in accordance with the conditions specified in the preceding provisions of this paragraph, then such moneys shall be held in the Bond Fund Escrow Account until they can be so used for such purposes and in accordance with such conditions. Moneys held in the Bond Fund Escrow Account shall, to the extent practicable, be invested in accordance with the applicable provisions of Section 10.4 hereof.

Anything contained herein to the contrary notwithstanding, no moneys held in the Bond Fund other than Available Moneys shall be used for the payment of premium on any series of the Bonds.

Section 10.2 Bond Purchase Fund. (a) There is hereby established a special trust fund, the name of which shall be the "Indian Springs School Project Bond Purchase Fund". The Bond Trustee shall be the depository, custodian and disbursing agent for the Bond Purchase Fund, and money in such fund may be disbursed by the Bond Trustee as hereinafter provided. The money in the Bond Purchase Fund shall be used (i) to pay the purchase price of Series 1997 Bonds due on any Tender Date or (ii) to reimburse the Credit Obligor for amounts drawn under the Letter of Credit, as provided in subsection (d) of this Section.

(b) There shall be deposited in the Bond Purchase Fund, as and when received:

(1) all money drawn by the Bond Trustee under the Letter of Credit for the purpose of paying the purchase price of Series 1997 Bonds due on any Tender Date,

(2) all Basic Rent payments under the Lease with respect to the purchase price of tendered Series 1997 Bonds,

(3) the proceeds of any remarketing of Series 1997 Bonds by the Remarketing Agent,

(4) all other money required to be deposited in the Bond Purchase Fund pursuant to the Lease or this Indenture, and

(5) all other money received by the Bond Trustee when accompanied by directions that such money is to be deposited in the Bond Purchase Fund.

(c) The Bond Trustee is hereby authorized and directed to withdraw sufficient money from the Bond Purchase Fund to pay the purchase price of Series 1997 Bonds due on any Tender Date, and to transmit such money to the Tender Agent, but subject to the provisions of subsection (e) hereof. Funds for such payments shall be derived from the following sources in the order of priority indicated:

(1) First, moneys drawn by the Bond Trustee under the Letter of Credit,

(2) Second, moneys received by the Bond Trustee from the remarketing of Series 1997 Bonds by the Remarketing Agent, and

(3) Third, all other money on deposit in the Bond Purchase Fund.

(d) If the Letter of Credit is then in effect, prior to 10:00 a.m. (Birmingham, Alabama time) on each Tender Date the Bond Trustee shall, without making any prior claim or demand upon the Lessee for Basic Rent payments with respect to the purchase price of Series 1997 Bonds, and without taking into account any proceeds anticipated from the remarketing of Series 1997 Bonds by the Remarketing Agent, make a draw under the Letter of Credit in an amount equal to the purchase price of all Series 1997 Bonds to be purchased on such Tender Date. Any such money drawn under the Letter of Credit shall be deposited and held in a separate, segregated account in the Bond Purchase Fund, and shall not be commingled with other money (including, without limitation, the proceeds of the remarketing of Series 1997 Bonds by the Remarketing Agent) in the Bond Purchase Fund. If money from any source other than the Letter of Credit was, at the time of such draw, on deposit in the Bond Purchase Fund and available for the payment of such purchase price, the Bond Trustee shall nevertheless draw under the Letter of Credit to make the payment of such purchase price, and any money available in the Bond Purchase Fund on such Tender Date from such other sources (including without limitation, proceeds of remarketing of Series 1997 Bonds) shall, to the extent of the amount paid by the Credit Obligor against such draw, be paid to the Credit Obligor in immediately available funds on the same Tender Date. If proceeds from the remarketing of Series 1997 Bonds are deposited in immediately available funds in the Bond Purchase Fund after such Tender Date, the Bond Trustee, upon its receipt of such proceeds in good funds, shall pay such proceeds to the Credit Obligor in immediately available funds on the date of deposit.

(e) No withdrawal shall be made from the Bond Purchase Fund for payment with respect to Pledged Series 1997 Bonds except upon receipt of confirmation that the Credit Amount in the Letter of Credit (as defined in the initial Letter of Credit) is being reinstated in an amount equal to the amount of such withdrawal.

(f) Anything contained herein to the contrary notwithstanding, no moneys held in the Bond Purchase Fund other than Available Moneys shall be used for the payment of the premium on any series of the Bonds.

Section 10.3 Redemption of Series 1997 Bonds. The Lessee, if it is not in default in the payment of Basic Rent under Section 5.2 of the Lease, may direct the Authority and the Bond Trustee to redeem Series 1997 Bonds out of Excess Bond Fund Moneys prior to maturity pursuant to Article XI hereof, or to purchase Series 1997 Bonds on the open market at any time for cancellation, for a purchase price not exceeding the principal amount of the Series 1997 Bonds being purchased plus accrued interest to the purchase date, and the Authority shall forthwith take all steps that may be necessary under the applicable provisions hereof (a) to effect redemption of such then Outstanding Series 1997 Bonds on such redemption date, as specified by the Lessee, to the extent of available Excess Bond Fund Moneys if the Series 1997 Bonds requested to be redeemed are then subject to redemption under the provisions hereof, or (b) to effect the purchase of Series 1997 Bonds on the open market.

Section 10.4 Investment of Moneys in Bond Fund and Bond Purchase Fund. The Bond Trustee shall, to the extent practicable, at the written direction of the Board of Governors, cause all the moneys 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) that will not be needed, during the then next ensuing three days, for payment of any maturing installment of principal of or interest on the Bonds, for payment of the redemption price of any Bond called for redemption or for reimbursement to the Credit Obligor of any amounts drawn under the Letter of Credit, to be kept continuously invested in Federal Obligations having such stated maturities as will assure the availability of cash moneys sufficient to provide for payment and redemption of the principal of and the interest on the Bonds, as such principal and interest respectively become due and payable (whether at maturity, upon earlier call for redemption or otherwise); provided, however, that all moneys held in the Bond Fund for the payment of Unsurrendered Bonds shall be held in uninvested cash. All obligations in which any portion of the moneys in the Bond Fund are invested, together with all income therefrom, shall become a part of the particular Bond Fund account from which moneys were used to make such investment.

The Bond Trustee shall, to the extent practicable, at the written direction of the Board of Governors, cause all moneys held in the Bond Purchase Fund to be invested in Federal Obligations having stated maturities; or being redeemable at the option of the holder at a stated price and time, as will assure the availability of cash moneys sufficient to provide for the

payment of the purchase price of Series 1997 Bonds due on any Tender Date or (ii) to reimburse the Credit Obligor for amounts drawn under the Letter of Credit as provided in subsection (d) of Section 10.2 hereof, but in no event later than the Tender Date with respect to which such moneys were deposited therein.

In order to comply with the requirements of the Indenture, the Bond Trustee may, at any time and from time to time, cause any Federal Obligations forming a part of an account of the Bond Fund, or any Federal Obligations forming a part of an account of the Bond Purchase Fund, to be sold or otherwise converted into cash, shall upon written request of an Authorized Board of Governors Representative cause any such obligations or investments to be sold or otherwise converted into cash (but only if such sale or other conversion into cash will not jeopardize the payment, when due, of the principal of and the interest on any of the Bonds or of the redemption price of any Bond required, by the provisions hereof or of any Supplemental Indenture, to be redeemed prior to its maturity), and shall cause any such obligations or investments to be sold or otherwise converted into cash if and to the extent that such sale or conversion is necessary to obtain moneys to prevent a default in the payment, when due, of the principal of or the interest on the Bonds or of the redemption price of any Bond required, by the provisions hereof or of any Supplemental Indenture, to be redeemed prior to its maturity. The net proceeds from the sale or other conversion into cash of any obligations or investments forming a part of an account of the Bond Fund or the Bond Purchase Fund shall be paid into and become a part of the account or fund of which such securities, certificates or investments formed a part. In making any investment of moneys forming a part of the Bond Fund or the Bond Purchase Fund, the Bond Trustee will follow such written instructions as may be given to it by an Authorized Board of Governors Representative, but if and only to the extent that such instructions are not inconsistent with any applicable provisions of the Indenture; provided, however, that the Lessee shall not direct the Bond Trustee to make any investment of any such moneys that would result in any of the Bonds being considered "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder. In any determination of the amount of moneys at any time forming a part of the Bond Purchase Fund or an account of the Bond Fund, all obligations or other investments in which any portion of such fund or account is at the time so invested shall be included therein at their then market value.

Section 10.5 Security for Bond Fund and Bond Purchase Fund Moneys. The moneys at any time held in the Bond Fund and Bond Purchase Fund shall be and at all times remain impressed with a trust for the purposes for which said fund was created.

Section 10.6 Commingling of Moneys in Separate Trust Funds. Any provision hereof to the contrary notwithstanding, moneys on deposit in the Construction Fund, the Bond Fund or the Bond Purchase Fund (other than moneys drawn under the Letter of Credit, which must be segregated) may be commingled and combined for the purpose of making investments under the provisions of Sections 9.5 and 10.4 hereof, subject to the following conditions:

(a) all interest, income or profit realized from any such commingled investment shall be credited, and all losses resulting therefrom shall be charged, to each such account or fund in the same respective proportions as the amount invested from each such account or fund bears to the total amount so invested; and

(b) no moneys forming a part of any such account or fund shall be invested in any investments other than such as are expressly authorized herein.

ARTICLE XI

PARTICULAR COVENANTS OF THE AUTHORITY

Section 11.1 Payment of the Bonds. The Authority will pay or will cause to be paid, out of the revenues and receipts derived from the leasing or sale of the Project and any other moneys deposited in the Bond Fund and the Bond Purchase Fund (including, with respect to the payment of principal and interest only, moneys drawn under the Letter of Credit), the principal of and the interest and premium (if any) on the Bonds as specified therein, and it will otherwise perform all obligations that, either expressly or by reasonable implication, are imposed on it in the Indenture, and it will not default hereunder.

Section 11.2 Priority of Pledge. The pledge herein made of the revenues and receipts from any leasing or sale of the Project shall be prior and superior to any pledge thereof hereafter made for the benefit of any other securities hereafter issued (other than Additional Bonds) or any contract hereafter made by the Authority. In the event the Authority should hereafter issue any other securities (other than Additional Bonds) payable, in whole or in part, out of the revenues or receipts to be derived from the leasing or sale of the Project or for which any part of said revenues or receipts may be pledged, or in the event the Authority should hereafter make any contract payable, in whole or in part, out of said revenues and receipts or for which any part of said revenues and receipts may be pledged, the Authority will, in the proceedings under which any such securities or contract are hereafter authorized, recognize the priority of the pledge of said revenues and receipts made herein for the benefit of the Bonds. The Authority recognizes that in the Lease it has agreed

(a) not to issue any securities, other than the Series 1997 Bonds, that are payable out of or secured by a pledge of the revenues and receipts derived by the Authority from the leasing or sale of the Project or any part thereof, and

(b) not to place any mortgage or other encumbrance (other than the Indenture or any Supplemental Indentures contemplated thereby) on the Project or any part thereof,

without, in either case, the prior written request or consent of the Lessee and the Credit Obligor.

Section 11.3 Concerning the Lease. The Indenture and the rights and privileges of the Bond Trustee and the Bondholders are specifically made subject to the rights, options and privileges of the Lessee under the Lease, and nothing herein contained shall be construed to impair the rights, options and privileges granted to the Lessee by the Lease. The Authority will perform and observe, or cause to be performed and observed, all agreements, covenants, terms and conditions required to be observed and performed by it in the Lease. Without relieving the Authority from the consequences hereunder of any default in connection therewith, the Bond Trustee (on behalf of the Authority) may perform and observe, or cause to be performed and observed, any such agreement, covenant, term or condition, all to the end that the Authority's rights under the Lease may be unimpaired and free from default.

The Authority will promptly notify the Bond Trustee in writing of the occurrence of any Lease Default, provided that the Authority has knowledge of such default. The Authority will also promptly notify the Bond Trustee in writing if, to the knowledge of the Authority, the Lessee fails to perform or observe any of the agreements or covenants on its part contained in the Lease. In the event of the occurrence of a Lease Default or any such failure, whether notice thereof is given to the Bond Trustee by the Authority, as aforesaid, or whether the Bond Trustee independently has knowledge thereof, the Bond Trustee will promptly give written notice thereof to the Lessee, with a copy to the Authority, and shall in such notice expressly require the Lessee to perform or observe the agreement or covenant with respect to which the Lessee is delinquent, all to the end that if the Lessee does not perform or observe such agreement or covenant (or cause such agreement or covenant to be performed or observed) in the manner and within the time provided by the Lease, a Lease Default may be declared without delay.

So long as the Lease shall remain in effect the Authority will cause the Basic Rent to be paid directly to the Bond Trustee as provided in the Lease. The Authority will not cancel, terminate or modify, or consent to the cancellation, termination or modification of, the Lease (except as is specifically provided, authorized or contemplated herein) unless and until the entire Indenture Indebtedness shall have been paid in full. In the event of a Lease Default, or in the event of a default on the part of the lessee under any subsequent lease entered into by the Authority with respect to the Project or any part thereof, the Authority will exhaust or cause to be exhausted, as promptly as may be practicable, all legal remedies that it may have against the Lessee or other defaulting lessee, as the case may be, to obtain compliance with the provisions of the Lease or of any subsequent lease, including payment of the rentals therein provided and performance and observance of all agreements and covenants on the part of the Lessee or other lessee therein contained.

Section 11.4 Maintenance, Repairs, Changes, Alterations, Taxes and Other Charges. Subject to the provisions of Section 18.1 hereof, the Authority will continuously maintain the Project Facilities and the Project Equipment in good repair and operating condition

(reasonable wear and tear excepted), making from time to time all necessary and proper repairs thereto (including, without limitation, exterior and structural repairs), or it will cause the Project Facilities and the Project Equipment to be so maintained and such repairs to be so made; provided, however, that the Authority shall not be obligated to repair or replace any of the Project Equipment that may become inadequate, obsolete, worn-out, unsuitable or unnecessary in the operation of the Project or to cause any such Project Equipment to be repaired or replaced. Without the prior written consent of the Bond Trustee, the Authority will not itself make, or permit to be made, any change or alteration in the Project other than those permitted or contemplated by the Lease.

Subject to the provisions of Section 18.1 hereof, the Authority will pay, or will cause to be paid, as the same respectively become due and payable,

(a) all taxes and governmental charges of any kind whatsoever that may be lawfully assessed or levied against or with respect to the Project or any part thereof, including, without limiting the generality of the foregoing, any taxes levied upon or with respect to any part of the receipts, income or profits of the Authority from the Project and other taxes levied upon or with respect to the Project which, if not paid, would become a charge on the revenues and receipts from the Project prior to or on a parity with the charge thereon and the pledge and assignment thereof created and made in the Indenture, and

(b) all assessments and charges lawfully made by any governmental body for public improvements that may be secured by a lien on the Project, provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Authority shall be obligated to pay, or cause to be paid, only such installments as come due while any part of the Indenture Indebtedness remains Outstanding and unpaid.

The Authority may, however, defer or cause to be deferred payment of any such taxes, charges or assessments pending the bona fide contest thereof unless the Bond Trustee shall be of the opinion that by such action the revenues of the Authority from the Project shall become subject to a lien or charge thereon prior to or on a parity with the pledge and assignment thereof made in the Indenture, in any of which cases any such payment then due shall not be deferred.

The Authority will also pay, or cause to be paid, as the same respectively become due, all utility and other similar charges incurred in the operation, maintenance, use and upkeep of the Project.

Nothing contained in this section shall be construed to create or give rise to a general obligation of the Authority, and the performance by the Authority of the agreements contained in this section shall be limited to the extent that moneys derived from the leasing or sale of the Project are available to pay the costs of performing such obligations.

Section 11.5 Agreement of Authority to Maintain Existence and Not to Dispose of Project. Except to the extent specifically permitted otherwise by the provisions of the second paragraph of this Section 11.5, the Authority will maintain its existence, will not dissolve or sell, transfer or otherwise dispose of the Project or any part thereof and will not consolidate with or merge into another corporation or permit one or more other corporations to consolidate with or merge into it. Further, the Authority will use its best efforts to maintain, preserve and renew all the rights and powers provided to it by the Act and any other applicable laws of the State of Alabama or the United States of America.

If the laws of the State of Alabama at the time shall permit such action to be taken, nothing contained in this section shall prevent (a) the consolidation of the Authority with, or the merger of the Authority into, any political subdivision or public corporation which has corporate authority to undertake and perform the obligations and agreements of the Authority under the Lease and the Indenture or (b) the transfer by the Authority of the Project as an entirety to another public instrumentality which has corporate authority to undertake and perform the obligations and agreements of the Authority under the Lease and the Indenture; provided that upon any such consolidation, merger or transfer the following conditions shall be satisfied: (i) the due and punctual payment of the principal of and the interest and premium (if any) on the Bonds according to their tenor and the due and punctual performance and observance of all the agreements and conditions contained in the Lease and the Indenture to be kept and performed by the Authority shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or the instrumentality to which the Project shall be transferred as an entirety; (ii) such consolidation, merger or transfer shall not cause or result in the imposition of any mortgage or other lien on the Project or in the imposition of any charge on the revenues from the Project prior to the pledge thereof made in the Indenture for the benefit of the Bonds; and (iii) such consolidation, merger or transfer shall not cause or result in the Project or the revenues of the Authority therefrom becoming subject to any taxation to which the same was not theretofore subject, or in the interest income on any of the Bonds becoming subject to income taxation by the United States of America, the State of Alabama or any political subdivision of either thereof. Nothing contained herein shall, however, be construed to prevent the release and disposition of any of the Project Equipment pursuant to the provisions of Section 6.2 of the Lease.

Section 11.6 Payment of Bond Trustee's Charges. Subject to the provisions of Section 18.1 hereof, the Authority will discharge, pay or satisfactorily provide to the Bond Trustee, or cause to be discharged, paid or provided, all liabilities, expenses, and advances reasonably incurred, disbursed or made by the Bond Trustee in the execution of the trusts hereby created (including the reasonable compensation and expenses and disbursements of its Counsel and of all other persons not regularly in its employ), and it will from time to time pay to the Bond Trustee, or cause to be paid, reasonable compensation for its services hereunder, including extra compensation for unusual or extraordinary services; provided, however, that no draw may be made under the Letter of Credit for the purpose of paying any such liabilities, advances, compensation, expenses or disbursements. All such liabilities, expenses, advances and

compensation shall bear interest until paid, from the respective dates on which such liabilities, expenses or advances shall be incurred, disbursed or made, or such compensation shall be earned, by the Bond Trustee at a per annum rate equal to two percent (2%) above the Base Rate from time to time in effect during the period for which such interest shall be payable. The Bond Trustee will not make demand for such payment earlier than the date on which such liabilities, expenses and advances shall be incurred, disbursed or made or the date on which such compensation shall be earned, as the case may be.

Section 11.7 Recordation. Further Assurances. If and to the extent required by law, the Authority will cause the Indenture, and all Supplemental Indentures hereafter executed, to be filed for record in such public office or offices in which said documents are required by law to be filed in order to constitute constructive notice thereof and to preserve and protect fully the rights and security afforded thereby to the Bond Trustee and the Holders of the Bonds. In addition, the Authority

(a) will, upon reasonable request, execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectually the purposes of the Indenture, and in particular (without in any way limiting the generality of the foregoing) to make subject to the Indenture any moneys, rights or properties hereafter acquired as a part of the Trust Estate and to transfer to any successor trustee or trustees the assets, powers, instruments and funds held in trust hereunder and to confirm any rights created under the Indenture with respect to any Bonds issued hereunder, and

(b) will take all actions that at any time and from time to time may be necessary (or, in the opinion of the Bond Trustee, may be necessary) to perfect, preserve, protect and secure the interests of the Authority in the Project and the revenues therefrom and the interests of the Bond Trustee in the Trust Estate.

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

The obligations of the Authority under this section are limited to cooperation with, and the taking of actions requested by, the Bond Trustee or other interested parties, and nothing contained in this section shall be construed as imposing upon the Authority an affirmative duty to determine whether the filing or recording or the re-filing or re-recording of any instruments (including, without limitation, Uniform Commercial Code financing statements) is at the time necessary to preserve or protect any interest of the Authority in the Project or any interest of the Bond Trustee in the Trust Estate.

Section 11.8 Warranty of Title. The Authority warrants as follows: it has good and marketable title to the property described in Section 2.1 hereof free and clear of every lien, encumbrance, trust or charge prior to the lien of the Indenture, other than Permitted Encumbrances; it has power and authority to subject said property to the lien of the Indenture and has duly done so; and it will forever warrant and defend the title to the Project unto the Bond Trustee, for the benefit of the Holders of the Bonds, against the claims of all persons whomsoever, except those claiming under Permitted Encumbrances.

Section 11.9 Freedom of Project from Prior Liens. Subject to the provisions of Section 18.1 hereof, the Authority will not knowingly permit the Project or any part thereof to be or remain subject to any liens and encumbrances prior to the lien hereof (other than Permitted Encumbrances), but it may defer payment pending the bona fide contest of any claim unless the Bond Trustee shall be of the opinion that by such action the lien of the Indenture as to the Project or any part thereof shall be materially endangered or the Project or any part thereof shall be subject to loss or forfeiture, in which event any such payment then due shall not be deferred. Nothing herein contained shall be construed to prevent the Authority from hereafter purchasing, for use in connection with the Project, additional property on conditional or lease sale contract or subject to vendor's lien or purchase money mortgage, and as to all property so purchased (other than property that is, under the terms hereof, to constitute part of the Project), the Indenture shall be subject and subordinate to such conditional or lease sale contract, vendor's lien or purchase money mortgage.

ARTICLE XII

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

Section 12.1 Retention of Possession of Project by Authority. Unless an Event of Default shall have occurred and be continuing, or except as otherwise provided herein, the Authority may retain actual possession of the Project and may manage and lease the same, and may collect, use and enjoy the rents, revenues, income and profits thereof to such extent as does not violate any of the Authority's covenants herein contained or contained in the Lease.

Section 12.2 Release of Project Equipment. Reference is hereby made to Section 6.2 of the Lease which permits the Lessee, upon compliance with the conditions therein contained, to remove items of the Project Equipment from the Project Site and to sell or otherwise dispose of the same free and clear of the demise of the Lease, and the Bond Trustee, as assignee of the Lease, shall at the request of the Authority or the Lessee and upon such compliance as aforesaid execute and deliver all instruments that may be necessary to confirm such release.

Section 12.3 Release of Unimproved Parts of Project Site. Unless an Event of Default shall have occurred and be continuing, the Authority may, at any time and from time to time, obtain the release of any unimproved part of the Project Site, and the Bond Trustee, as assignee of the Lease, shall release the same from the demise of the Lease upon deposit by the Lessee with the Bond Trustee of the following:

(a) a Certified Resolution of the Lessee containing an adequate legal description of that part of the Project Site requested to be released (including the acreage thereof), requesting such release and stating that no Event of Default has occurred which is continuing;

(b) a certificate signed by an Independent Engineer stating (i) that no part of the Project Facilities nor any other improvement (except for roads, walkways, ground level parking improvements, sewer, water, gas and electric lines and the like, which shall be specified in such certificate) is located on the part of the Project Site requested to be released, and (ii) that the severance of such part of the Project Site from the Project will not impair the operating utility of the Project or unduly restrict ingress or egress to or from the Project Facilities;

(c) an amount, in cash or bankable funds, equal to such price per acre as may be approved by the Credit Obligor (prorated for fractional parts of an acre) of the part of the Project Site to be released as specified in said notice.

Upon compliance by the Lessee with the foregoing conditions the Bond Trustee shall, at the expense of the Lessee, execute and deliver to the Lessee any and all instruments that may be necessary to release from the demise of the Lease that part of the Project Site with respect to which said conditions shall have been complied with. All moneys coming into the hands of the Bond Trustee under the provisions of this section shall be paid by the Bond Trustee into the Bond Fund Primary Account.

Section 12.4 Release Upon Payment of Condemnation Award to Bond Trustee. If the Project or any part thereof shall be taken through the exercise of the power of Eminent Domain (as defined in the Lease), the entire condemnation award referable thereto shall be paid directly to the Bond Trustee. Upon payment to the Bond Trustee of such award, the Bond Trustee shall, at the expense of the Authority, execute and deliver to the Authority or to the Person successfully exercising such power of Eminent Domain any and all instruments that may be necessary to release from the demise of the Lease all property forming part of the Project that shall be so taken.

Section 12.5 Disposition of Condemnation Award. Reference is hereby made to the Lease wherein it is provided that if title to all or any part of the Project shall be taken through

the exercise of the power of Eminent Domain, the entire condemnation award referable thereto shall be paid to and held by the Bond Trustee and shall thereafter be applied by the Bond Trustee in the manner and for the purposes specified in Section 7.2 of the Lease. The Bond Trustee hereby accepts the duties and obligations on its part specified in the Lease with respect to such condemnation award and agrees that such condemnation award shall be applied in accordance with the applicable provisions of the Lease.

Section 12.6 Disposition of Insurance Proceeds. Reference is hereby made to the Lease wherein it is provided that if the Project is destroyed, in whole or in part, or is damaged, by fire or other casualty, to such extent that the loss to the Project resulting therefrom is in excess of \$200,000, then all "Net Insurance Proceeds" (as defined in the Lease) recovered by the Authority, the Lessee and the Bond Trustee shall be paid to and held by the Bond Trustee and shall thereafter be applied by the Bond Trustee in the manner and for the purposes specified in Section 7.1 of the Lease. The Bond Trustee hereby accepts the duties and obligations on its part specified in the Lease with respect to such proceeds and agrees that such proceeds shall be applied in accordance with the applicable provisions of the Lease.

ARTICLE XIII

EVENT OF DEFAULT AND REMEDIES OF BOND TRUSTEE AND BONDHOLDERS

Section 13.1 Events of Default Defined. Any of the following shall be "Events of Default" under the Indenture, and the term "Event of Default" shall mean, whenever it is used in the Indenture, any one or more of the following conditions or events:

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

(b) failure to pay the purchase price of any Series 1997 Bond delivered to the Tender Agent for purchase pursuant to Section 7.5 or 7.6 hereof;

(c) a Lease Default;

(d) failure by the Authority to perform or observe any agreement, covenant or condition required by the Indenture to be performed or observed by it [other than (i) its agreement to pay the principal of and the interest and premium (if any) on the Bonds, (ii) its agreement to provide for the purchase of Series 1997 Bonds tendered pursuant to Section 7.5 or 7.6 hereof and (iii) any

other agreement, covenant or condition with respect to which its failure to perform or observe is the result of a Lease Default] after sixty (60) days' written notice to it of such failure given by the Bond Trustee or by the Holders of not less than twenty-five percent (25%) in principal amount of any series of the Bonds then Outstanding hereunder, unless during such period or any extension thereof the Authority has commenced and is diligently pursuing appropriate corrective action;

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

(f) receipt by the Bond Trustee of written notice from the Credit Obligor that an Event of Default has occurred and is continuing under the terms of the Credit Agreement (as the term "Event of Default" is defined and used in said agreement) and directing that the Series 1997 Bonds be declared due and payable pursuant to Section 13.2 of the Indenture; or

(g) appointment by a court having jurisdiction of a receiver for the Project or for a substantial part thereof, or approval by a court of competent jurisdiction of any petition for rearrangement or readjustment of the obligations of the Authority under any provisions of the bankruptcy laws of the United States of America.

Section 13.2 Remedies on Default. Upon the occurrence and continuation of any Event of Default, the Bond Trustee shall have the following rights and remedies, subject to the provisions of Sections 2.3 and 13.5 hereof:

(a) **Mandatory Acceleration.** If an Event of Default that is described in paragraphs (a) or (b) with respect to the Series 1997 Bonds or paragraph (f) of the preceding Section 13.1 shall occur, then the Bond Trustee shall declare the principal of all the Series 1997 Bonds and the interest accrued thereon to be due and payable immediately, by a notice in writing to the Authority, to the Lessee and to the Credit Obligor, and upon any such declaration such principal and interest accrued thereon shall become immediately due and payable. The Bond Trustee shall on the date of such declaration draw on the Letter of Credit to the fullest extent permitted by the terms thereof to pay the principal of the Series 1997 Bonds and the interest accrued and to accrue on the Series 1997 Bonds until and including the date of such declaration.

(b) **Optional Acceleration.** If an Event of Default that is described in paragraphs (a) or (b) with respect to any Bonds other than the Series 1997 Bonds

or in paragraphs (c), (d), (e) or (g) of the preceding Section 13.1 shall occur, then and in every such case the Bond Trustee may, but subject to the provisions of Section 13.5 hereof (but if the Letter of Credit shall then be outstanding, only with the consent of the Credit Obligor), declare the principal of all the Bonds and the interest accrued thereon to be due and payable immediately, by a notice in writing to the Authority, to the Lessee and to the Credit Obligor, and upon any such declaration, such principal and the accrued interest thereon shall become immediately due and payable.

(c) Other Remedies. The Bond Trustee shall have the power to proceed with any other right or remedy independent of or in aid of the foregoing powers, as it may deem best, including the right to realize upon the Indenture by bill in equity or by proceedings at law, the right to enforce any obligation of the Authority or the Lessee contained in the Lease or the Indenture, and the right to the appointment, as a matter of right and without regard to the sufficiency of the security afforded by the Project, of a receiver for all or any part of the Project and the earnings, rents and income therefrom. In the case of an Event of Default resulting from the failure of the Authority to pay the principal of or the interest or premium (if any) on any of the Series 1997 Bonds, the Bond Trustee shall have the right (without prejudice to the exercise of any of its rights under the Indenture) to enforce the performance of the Series 1997 Guaranty and with respect to the payment of principal and interest only, of the Letter of Credit and to institute any action, suit or proceeding for that purpose. The rights here specified are to be cumulative to all other available rights, remedies or powers and shall not exclude any such.

If, upon the occurrence of an Event of Default and before any draw has been made under the Letter of Credit, the Authority makes good the default which is the reason for such Event of Default and every other default hereunder (except any principal and interest declared payable that would, absent such declaration, not then be payable), with interest on all overdue payments of principal, interest and premium (if any), and makes reimbursement of all the reasonable expenses of the Bond Trustee, then the Bond Trustee may in its discretion and subject to the provisions hereof, and shall upon the written request of the Holders of a majority in principal amount of the then Outstanding Bonds and the Credit Obligor, waive such default and its consequences, but no such waiver shall affect any subsequent default or right relative thereto. Further, upon the occurrence of any Event of Default, except a default in the payment of the principal of or the interest or premium (if any) on the Bonds, the Bond Trustee may in its discretion and subject to the provisions hereof, and shall upon the written request of the Holders of a majority in principal amount of the then Outstanding Bonds and the Credit Obligor, waive such default and its consequences without the Authority having theretofore made good such default, but no such waiver shall affect any subsequent default or right relative thereto. In case any proceeding taken by the Bond Trustee on account of any Event of Default shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bond Trustee, then and in every case the Authority, the Bond Trustee and the Holders of the Bonds

shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies and powers of the Bond Trustee shall continue as though no such proceeding had been taken.

The provisions of the immediately preceding paragraph are subject to the conditions that, at any time while the Letter of Credit shall be in effect and has been reinstated to the maximum extent provided therein with respect to any draw thereunder or any obligation of the Lessee to the Credit Obligor under the Credit Agreement shall be Outstanding, the Bond Trustee (i) shall not waive any Event of Default in accordance with such provisions without the prior written consent of the Credit Obligor, (ii) shall waive any Event of Default [other than an Event of Default described in paragraphs (a), (b) or (f) of Section 13.1 hereof] if directed to do so by the Credit Obligor and (iii) shall not accelerate the maturity of any principal of or interest on the Series 1997 Bonds pursuant to the provisions of subsection (a) of this Section 13.2 without the prior written consent of the Credit Obligor. The provisions of the immediately preceding paragraph are further subject to the condition that any waiver by the Credit Obligor of any Credit Agreement Event of Default and a rescission and annulment of the consequences thereof shall constitute a waiver of the corresponding Event of Default under this Indenture and a rescission and annulment of the consequences thereof. If notice of such Credit Agreement Event of Default shall have been given as provided herein and if the Bond Trustee shall thereafter have received notice that the said Credit Agreement Event of Default shall have been waived, the Bond Trustee shall promptly give written notice of such waiver, rescission or annulment to the Authority, the Credit Obligor and the Remarketing Agent, and shall give notice thereof by registered or certified mail to all Holders of Series 1997 Bonds; but no such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

Anything contained in the foregoing provisions of this Section 13.2 to the contrary notwithstanding, upon the occurrence and continuation of an Event of Default of the type described in subsection (f) of Section 13.1 hereof, the Bond Trustee shall immediately exercise its power hereunder to declare the principal of and the interest accrued on all the Bonds forthwith due and payable and to draw the full amount available for the payment of such principal and interest (but no premium) under the Letter of Credit (which interest will cease to accrue upon such acceleration). Any Event of Default referred to in this paragraph may not be waived by the Bond Trustee under any circumstances.

Section 13.3 Application of Moneys Collected. All moneys drawn by the Bond Trustee under the Letter of Credit shall be applied solely for the purpose or purposes for which such moneys were drawn. In the event that the Bond Trustee declares the Bonds to be immediately due and payable pursuant to the provisions of Section 13.2 hereof, the moneys drawn under the Letter of Credit to provide for the payment of the principal of and the accrued interest on the Series 1997 Bonds (which interest shall cease to accrue upon such acceleration) shall be applied for such purpose as soon as practicable, but in no event later than the fifth day after the date upon which the Bonds are declared due and payable.

None of the remaining provisions of this section apply to any part of the proceeds of the Letter of Credit, but if the proceeds of the Letter of Credit are not sufficient to pay in full all amounts owed with respect to the principal of and interest on the Series 1997 Bonds, as well as the purchase price of all Series 1997 Bonds tendered (or deemed to be tendered) for purchase pursuant to Section 7.5 or 7.6 hereof and not remarketed, then all subsequent provisions of this section with respect to the Bonds shall be deemed to include the unsatisfied portion of the claims of the Holders of the Series 1997 Bonds together with the claims of the Holders of all other Bonds. Any moneys (other than moneys drawn under the Letter of Credit) collected by the Bond Trustee pursuant to this article or pursuant to any right given to it or action taken by it under the provisions of this article, together with all other funds then held by the Bond Trustee hereunder, shall, after payment of all amounts owed to the Bond Trustee under Section 11.6 hereof, be applied in the following order, at the date or dates fixed by the Bond Trustee, and, in case of the distribution of such money on account of principal or premium (if any) or interest, upon presentation of the Bonds and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

(a) Unless the principal of all Bonds shall have become or shall have been declared due and payable, all such moneys shall be applied:

First—to the payment to the Persons entitled thereto of interest then due on all Bonds other than the Pledged Bonds; with interest on overdue installments of such interest (to the extent legally enforceable), and if the amount available shall not be sufficient to pay in full all such installments plus the said interest thereon, then to the proportionate payment of all such installments and the interest thereon, according to the amounts thereof, without preference or priority of any installment of interest over any other installment or any discrimination or privilege among the Persons entitled thereto;

Second—to the payment to the Persons entitled thereto of the unpaid principal of all Bonds which shall have matured other than the Pledged Bonds, with interest on overdue installments of principal from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full all such principal together with the aforesaid interest thereon, then to the proportionate payment of such principal and interest, according to the amounts thereof, without preference or priority of any installment of principal over any other installment or any discrimination or privilege among the Persons entitled thereto;

Third—to the payment of all amounts then owed to the Credit Obligor under the Credit Agreement;

Fourth—to the payment to the Persons entitled thereto of interest then due on the Pledged Bonds, with interest on overdue installments of such interest (to the extent legally enforceable), and if the amount available shall not be sufficient to pay in full all such installments plus the said interest thereon, then to the proportionate payment of all such installments and the interest thereon, according to the amounts thereof, without preference or priority of any installment of interest over any other installment or any discrimination or privilege among the Persons entitled thereto;

Fifth—to the payment to the Persons entitled thereto of the unpaid principal of the Pledged Bonds which shall have matured, with interest on overdue installments of principal from the respective dates upon which they became due, and, if the amount available shall not be sufficient to pay in full all such principal together with the aforesaid interest thereon, then to the proportionate payment of such principal and interest, according to the amounts thereof, without preference or priority of any installment of principal over any other installment or any discrimination or privilege among the Persons entitled thereto; and

Sixth—the surplus, if any, to the Bond Fund or, in the event the Indenture Indebtedness has been fully paid, to the Authority or, if he is entitled to such moneys under Section 17.3 hereof, the Lessee.

(b) If the principal of all the Bonds shall have become or been declared due and payable, all such moneys shall be applied as follows:

First—to the payment of the principal and interest then due and unpaid upon all Bonds other than the Pledged Bonds, with interest on overdue principal and (to the extent legally enforceable) on overdue interest, without preference or priority of principal over interest or of interest over principal, or of any installment of interest over any other installment of interest, or of any Bond over any other Bond, in proportion to the amounts for both principal and interest due respectively to the Persons entitled thereto, without any discrimination or privilege among such Persons;

Second—to the payment of all amounts then owed to the Credit Obligor under the Credit Agreement;

Third—to the payment of the principal and interest then due and unpaid upon the Pledged Bonds, with interest on overdue principal and (to the extent legally enforceable) on overdue interest, without preference or priority of principal over interest or of interest over principal, or of

any installment of interest over any other installment of interest, or of any Pledged Bond over any other Pledged Bond, in proportion to the amounts for both principal and interest due respectively to the Persons entitled thereto, without any discrimination or privilege among such Persons; and

Fourth—the surplus, if any, to the Bond Fund or, in the event the Indenture Indebtedness has been fully paid, to the Authority or, if he is entitled to such moneys under Section 17.3 hereof, the Lessee.

Section 13.4 Remedies Vested in Bond Trustee. All remedies hereunder are vested exclusively in the Bond Trustee for the equal and pro rata benefit of all the Holders of the Bonds and, to the extent provided herein, the Credit Obligor, unless the Bond Trustee refuses or neglects to act within a reasonable time after written request so to act addressed to the Bond Trustee by the Credit Obligor or the Holders of twenty-five percent (25%) in principal amount of any series of the Outstanding Bonds, accompanied by indemnity satisfactory to the Bond Trustee, in which event the Credit Obligor or the Holder of any of the Bonds may thereupon so act in the name and behalf of the Bond Trustee or may so act in his own name in lieu of action by or in the name and behalf of the Bond Trustee. Except as above provided, no Holder of any of the Bonds shall have the right to enforce any remedy hereunder, and then only for the equal and pro rata benefit of the Holders of all the Bonds. *

Notwithstanding any other provision hereof, the right of the Holder of any Bond, which is absolute and unconditional, to payment of the principal of and the interest and premium (if any) on such Bond on or after the due date thereof, but solely from the revenues and receipts from the leasing or sale of the Project as therein and herein expressed (and, in the case of the Holder of any Series 1997 Bond with respect to the payment of principal and interest only, from moneys received under the Letter of Credit), or to institute suit for the enforcement of such payment on or after such due date, or the obligation of the Authority, which is also absolute and unconditional, to pay, but solely from said revenues and receipts, the principal of and the interest on the Bonds to the respective Holders thereof at the time and place in said Bonds expressed, shall not be impaired or affected without the consent of such Holder; provided, however, that no Bondholder shall be entitled to take any action or institute any such suit to enforce the payment of his Bonds, whether for principal or interest, if and to the extent that the taking of such actions or the institution of or prosecution of any such suit or the entry of judgment therein would under applicable law result in a surrender, impairment, waiver or loss of the lien or charge of the Indenture upon the Trust Estate, or any part thereof, as security for the Bonds held by any other Bondholder.

Section 13.5 Rights of Lessee Upon Occurrence of an Event of Default. If an Event of Default should occur solely by reason of some action or failure to act on the part of the Authority, and if at the time there shall have not occurred and be continuing a Lease Default,

the Bond Trustee shall notify the Lessee in writing of the occurrence of such Event of Default and the Lessee shall have the right to remedy such Event of Default hereunder within sixty (60) days after such written notice, and the Bond Trustee shall accept performance of such actions by the Lessee as performance by the Authority in such event, provided that the Lessee shall pay all expenses of curing such Event of Default. The Bond Trustee may, with the Credit Obligor's consent, grant to the Lessee an extension of said sixty (60) day period if during such period the Lessee has commenced and is diligently pursuing appropriate corrective action. The exercise of the remedies set forth in Section 13.2 hereof are subject to the right of the Lessee to cure such Event of Default as provided in this section. Any exercise by the Lessee of its right under this section to cure an Event of Default shall not prejudice any rights which the Lessee may have against the Authority as a result of the occurrence of such Event of Default.

Section 13.6 Delay No Waiver. No delay or omission by the Bond Trustee or by any Bondholder to exercise any available right, power or remedy hereunder shall impair or be construed a waiver thereof or an acquiescence in the circumstances giving rise thereto; every right, power or remedy given herein to the Bond Trustee or to the Bondholders may be exercised from time to time and as often as deemed expedient.

Section 13.7 Notice to Bondholders Upon Occurrence of Event of Default. If an Event of Default occurs that is known to the Bond Trustee, or if any event or condition occurs that is known to the Bond Trustee and that with the giving of notice or the passage of time or both would constitute an Event of Default, and if such Event of Default or such event or condition, as the case may be, continues for a period of at least fifteen (15) Business Days after the Bond Trustee first learns thereof, then the Bond Trustee will, at or before the end of such period of fifteen (15) Business Days, give written notice thereof by United States regular mail, postage prepaid, to the Credit Obligor and to all Holders of Bonds at their respective addresses appearing in the records of the Bond Trustee pertaining to the registration of the Bonds. Nothing contained in this section shall be deemed to require the Bond Trustee to undertake independent inquiries into or investigations of the condition of the Project, the business or condition of the Lessee, or any other circumstances, conditions or information (whether or not publicly available) which would disclose to it the occurrence of an Event of Default or any event or condition that with the giving of notice or the passage of time or both would constitute an Event of Default.

Section 13.8 Rights of the Credit Obligor. Notwithstanding any other provision of this Indenture, if the Letter of Credit is in effect, the Credit Obligor shall have the right, on behalf of all Bondholders, to direct (A) the time, method and place of conducting any proceeding for any remedy available to the Bond Trustee, or exercising any trust or power conferred on the Bond Trustee (including without limitation the right to approve any plan of reorganization of the Lessee under the United States Bankruptcy Code), or (B) the waiver of any Event of Default and its consequences; provided, however, that the Credit Obligor shall not in any event have the

right or power to prevent draws under the Letter of Credit as required by this Indenture to pay debt service on the Series 1997 Bonds and the principal and interest due on the Series 1997 Bonds upon acceleration of the Series 1997 Bonds pursuant to Section 13.2.

ARTICLE XIV

CONCERNING THE BOND TRUSTEE

Section 14.1 Acceptance of Trusts. The Bond Trustee accepts the trusts hereby created and agrees to perform the duties herein required of it, either expressly or by reasonable implication, subject, however, to the following conditions:

(a) It shall not be liable hereunder except for its non-compliance with the provisions hereof, its wilful misconduct or its gross negligence.

(b) It may execute any of the trusts and powers conferred on it hereunder or perform any duty hereunder either directly or through agents and attorneys in fact who are not regularly in its employ and who are selected by it with reasonable care, but it shall be responsible for the observance by such agents and attorneys in fact of the terms and conditions hereof.

(c) It may consult Counsel on any matters connected herewith and shall not be answerable for any action taken or failure to take any action in good faith on the advice of Counsel, provided that its action or inaction is not contrary to any express provision hereof.

(d) It need not recognize a Holder of a Bond as such without the satisfactory establishment of his title to such Bond.

(e) It shall not be answerable for any action taken in good faith on any notice, request, consent, certificate or other paper or document which it believes to be genuine and signed or acknowledged by the proper party.

(f) Subject to the Bond Trustee's obligation to declare an acceleration of the principal of and the interest on the Bonds pursuant to Section 13.1(f) or Section 13.1(g) hereof, except for giving notice to Bondholders in accordance with the provisions of Section 13.7 hereof, it need not take any action with respect to any Event of Default or with respect to any event or condition which with the giving of notice or the passage of time or both would constitute an Event of Default, unless requested so to do by the Credit Obligor or the Holders of twenty-five percent (25%) in aggregate principal amount of any series of the Bonds then Outstanding.

(g) Upon the occurrence of an Event of Default, the Bond Trustee need not exercise any of its rights or powers specified in Section 13.2 hereof or take any action under said Section 13.2 unless requested in writing so to do by the Credit Obligor or the Holders of twenty-five percent (25%) in aggregate principal amount of any series of Bonds then Outstanding; it may exercise any such rights or powers or take any such action, if it thinks advisable, without any such request; it shall do so when so requested, provided that the furnishing of indemnity, satisfactory to the Bond Trustee, against its prospective liabilities and expenses by the Credit Obligor or the Bondholders requesting any action by the Bond Trustee under said Section 13.2 shall be a condition precedent to the duty of the Bond Trustee to take or continue any action under said Section 13.2 which in the opinion of the Bond Trustee would involve it in any such liabilities or expenses, it being understood (i) that the furnishing of such indemnity shall not be a condition precedent to the duty of the Bond Trustee to make drawings under the Letter of Credit and the obligation to declare acceleration of the principal of and the interest on the Bonds and to make payment on the Bonds when due, and (ii) that moneys drawn under the Letter of Credit shall not be used under any circumstances to indemnify the Bond Trustee. Whenever the Bond Trustee has a choice of remedies under said Section 13.2 or a discretion as to details in the exercise of its powers thereunder, it must follow any specific directions given by the Holders of a majority in principal amount of the Bonds at the time Outstanding, anything therein or herein (except for the proviso at the end of this sentence) to the contrary notwithstanding, unless the observance of such directions would, in the opinion of the Bond Trustee, unjustly prejudice the non-assenting Bondholders; provided, however, that, at any time while the Letter of Credit shall be in effect or any obligation of the Lessee to the Credit Obligor under the Credit Agreement shall be outstanding, the Bond Trustee must follow any directions given by the Credit Obligor with respect to the exercise of any rights which the Bond Trustee may have under Section 13.2 as the result of the occurrence and continuation of any Event of Default other than an Event of Default described in paragraphs (a), (b) or (f) of Section 13.1 hereof.

(h) It shall be entitled to reasonable compensation for its services hereunder, including extra compensation for unusual or extraordinary services, and it shall pay the reasonable fees and charges of any co-paying agents for any of the Bonds (for which it shall be entitled to reimbursement from the Authority).

(i) Any action taken by the Bond Trustee at the request of and with the consent of the Holder of a Bond will bind all subsequent Holders of the same Bond and any Bond issued hereunder in lieu thereof.

(j) It may be the Holder of Bonds as if not Bond Trustee hereunder.

(k) It shall not be liable for the proper application of any moneys other than those that may be paid to or deposited with it.

(l) It shall not unreasonably withhold or delay any consent or approval required of it under the provisions of the Lease or the Indenture.

(m) All moneys received by the Bond Trustee to be held by it hereunder shall be held as trust funds until disbursed in the manner herein provided therefor. The Bond Trustee shall not be liable to pay or allow interest thereon or otherwise to invest any such moneys except as specifically required herein.

(n) It may make any investments permitted hereby through its own Bond Department.

(o) It shall, upon reasonable request, advise the Authority or the Lessee of the amount at the time on deposit in any of the special funds herein created.

(p) It shall, upon reasonable request, issue to the Authority or the Lessee a certificate indicating whether, to the knowledge of the Bond Trustee, the Authority or the Lessee is in default under the provisions of the Lease or the Indenture, and, in the event there is such a default, briefly describing the nature thereof.

(q) In making any drawings under the Letter of Credit, the Bond Trustee shall be acting on behalf of the Holders of the Series 1997 Bonds and not on behalf of the Lessee.

(r) The recitals of fact herein and in the Bonds are statements by the Authority and not by the Bond Trustee, and the Bond Trustee is in no way responsible for the validity or security of the Bonds, the validity or enforceability of the Lease or the Indenture, the existence of any part of the Project, the value thereof, the title of the Authority thereto, the security afforded hereby, or the validity or priority of the assignments and pledges made by the Authority in Article II hereof. The Bond Trustee does, however, assume responsibility for its eligibility to accept and administer the trusts created hereby, and it warrants and represents that it is duly authorized to accept and administer such trusts and that the acceptance and administration by it of such trusts do not violate or contravene, and are not void or voidable under, any applicable state or federal law now existing.

Section 14.2 Bond Trustee to Maintain Registration Book. The Bond Trustee will keep on file at its principal corporate trust office a registration book, listing the names and addresses of the Bondholders.

Section 14.3 Bond Trustee Authorized to Pay Certain Charges. If the Authority shall fail to perform any of the covenants or agreements contained in this Indenture other than its covenants or agreements in respect of payment of the principal of and the interest and premium (if any) on the Bonds, the Bond Trustee may, in its uncontrolled discretion and without notice to the Bondholders, at any time and from time to time, make advances to effect performance of the same on behalf of the Authority, but the Bond Trustee shall be under no obligation so to do, and it shall not be liable in any manner for any failure to do so. All moneys paid or advanced by the Bond Trustee under the provisions of this section, together with all Bond Trustee's fees, legal fees and other expenses incurred by the Bond Trustee, shall be repayable by the Authority upon demand, shall bear interest from the date on which they are so paid or advanced at a per annum rate equal to two percent (2%) above the Base Rate from time to time in effect until such moneys are repaid, and shall (together with the interest thereon) be secured by a lien or charge upon the revenues and receipts derived by the Authority from the Project prior to the lien or charge thereon for the benefit of the Bonds. No advance made by the Bond Trustee under the provisions of this section shall relieve the Authority from the consequences of any default hereunder.

Section 14.4 Bond Trustee May Institute Suit, etc. The Bond Trustee may, in its own name and at any time, institute or intervene in any suit or proceeding for the enforcement of all rights of action (including the right to file proof of claims in connection with any reorganization, bankruptcy, receivership or like proceeding) under any of the Bonds or under the Lease or the Indenture without the necessity of joining as parties to such suit or proceeding any Holders of the Bonds and without the necessity of possessing any of such Bonds or producing same in any trial or other proceedings related to such rights of action. The Holders of the Bonds do hereby appoint the Bond Trustee as their irrevocable agent and attorney in fact for the purpose of enforcing all such rights of action, but such appointment shall not include the power to agree to accept new securities of any nature in lieu of the Bonds or to alter or amend the terms of the Lease or the Indenture except as herein provided.

Section 14.5 Resignation by the Bond Trustee. The Bond Trustee and any successor Bond Trustee may at any time resign from the trusts created hereunder by giving thirty (30) days' written notice to the Authority, the Credit Obligor, the Lessee and each Bondholder. Such resignation shall take effect at the end of such period of thirty days, but in no event before (a) the appointment of a temporary Bond Trustee or a successor Bond Trustee pursuant to the provisions of Section 14.7 hereof shall have become effective and (b) the Letter of Credit shall have been transferred to, and accepted by, such temporary or successor Bond Trustee in accordance with their terms.

Section 14.6 Removal of the Bond Trustee. The Bond Trustee may be removed at any time by an instrument or concurrent instruments in writing delivered to the Bond Trustee and to the Authority and signed by the Holders of a majority in aggregate principal amount of the Bonds then Outstanding, but in no event before (a) the appointment of a temporary Bond Trustee or a successor Bond Trustee pursuant to the provisions of Section 14.7 hereof shall have become effective and (b) the Letter of Credit shall have been transferred to, and accepted by, such temporary or successor Bond Trustee in accordance with their terms.

Section 14.7 Appointment of Successor Bond Trustee by Bondholders; Temporary Bond Trustee. In case the Bond Trustee shall resign, be removed, be dissolved, be in course of dissolution or liquidation, or otherwise become incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers or of a receiver appointed by a court, a successor may be appointed by the Holders of a majority in aggregate principal amount of Bonds then Outstanding through an instrument or concurrent instruments in writing signed by such Holders; provided that, so long as the Letter of Credit remains in effect, any successor Bond Trustee so appointed by the Bondholders must be approved by the Credit Obligor. In case of any such resignation or event which causes the Bond Trustee to be incapable of acting, the Authority by an instrument signed by the Chairman of the Directors and attested by the Secretary of the Authority under its seal, shall appoint a temporary Bond Trustee to serve until a successor Bond Trustee shall be appointed by the Bondholders in the manner provided above; provided that, so long as the Letter of Credit remains in effect, any temporary Bond Trustee so appointed by the Authority must be approved by the Credit Obligor. Whenever necessary to avoid or fill a vacancy in the office of Bond Trustee, the Authority will so appoint a temporary Bond Trustee in order that there shall at all times be a Bond Trustee hereunder. In particular, in the event that the Bond Trustee resigns, the Authority shall appoint a temporary Bond Trustee or the Bondholders shall appoint a successor Bond Trustee prior to the effective date of such resignation. Any temporary Bond Trustee so appointed by the Authority shall immediately and without further act be superseded by the Bond Trustee appointed by the Bondholders. Every successor Bond Trustee appointed pursuant to this section shall be a trust company or bank (i) authorized to administer trusts and having, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than \$100,000,000 and (ii) whose senior debt obligations are rated not lower than Baa-3/P-3 by Moody's Investors Service, Inc. (or which is otherwise acceptable to said Moody's Investors Service, Inc.).

Section 14.8 Concerning any Successor Bond Trustee. Every successor Bond Trustee shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting its appointment as Bond Trustee hereunder, and thereupon such successor Bond Trustee, without any further act, deed or conveyance, shall become fully vested with all the estate and title of its predecessor to the Trust Estate and with all the rights, powers, trusts, duties and obligations of its predecessor. Such predecessor shall, nevertheless, on the written request of the Authority or such successor Bond Trustee, execute and deliver an instrument

transferring to such successor Bond Trustee all the estate and title of such predecessor to the Trust Estate and all rights, powers and trusts of such predecessor hereunder; and every predecessor Bond Trustee shall deliver all securities and moneys held by it as Bond Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Bond Trustee for more fully and certainly vesting in it the properties, rights, powers and duties hereby vested or intended to be vested in the Bond Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Bond Trustee and the instrument or instruments removing any Bond Trustee and appointing a successor hereunder, together with all other instruments provided for in this article, shall be filed for record by the Authority in each recording office where the Indenture shall have been filed and recorded.

Section 14.9 Merger or Consolidation of Bond Trustee. Any corporation into which the Bond Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Bond Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bond Trustee, shall be the successor of the Bond Trustee hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Bonds shall have been authenticated, but not delivered, by the Bond Trustee then in office, any successor by merger or consolidation to such authenticating Bond Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Bond Trustee had itself authenticated such Bonds.

Section 14.10 Bond Trustee Required to Accept Directions and Action of Lessee. Whenever, after a reasonable request by the Lessee, the Authority shall fail, refuse or neglect to give any direction to the Bond Trustee or to require the Bond Trustee to take any action which the Authority is required to have the Bond Trustee take pursuant to the provisions of the Lease or the Indenture, the Lessee as agent of the Authority may give any such direction to the Bond Trustee or require the Bond Trustee to take any such action, and the Bond Trustee is hereby irrevocably empowered and directed to accept such direction from the Lessee as sufficient for all purposes of the Indenture. The Lessee shall have the right as agent of the Authority to cause the Bond Trustee to comply with any of the Bond Trustee's obligations under the Indenture to the same extent that the Authority is empowered so to do.

Section 14.11 Notice to Bondholders of Determination of Taxability. Within thirty (30) days after the Bond Trustee first learns of a Determination of Taxability, the Bond Trustee shall deliver to the Holders of the then Outstanding Series 1997 Bonds written notice of such Determination of Taxability by United States registered or certified mail, postage prepaid, at the respective addresses of such Holders appearing in the records of the Bond Trustee pertaining to the registration of the Bonds. Such written notice shall contain a statement of such

Determination of Taxability and a description of the rights of the Bondholders with respect to the redemption of the Series 1997 Bonds as set forth in Section 7.8 of the Indenture.

Section 14.12 Bond Trustee Authorized to Perform Certain Acts on Failure of Authority. Without relieving the Authority from the consequences of any default in connection therewith, the Bond Trustee may pay any charge, including, without limitation, any tax, assessment, charge or claim which the failure of the Authority to pay, or to cause to be paid, has made or will make an encumbrance or lien on the Trust Estate prior to any rights of the Bond Trustee under the Indenture, and in the event the Authority fails to take out, or to cause to be taken out, insurance on the Project to the extent required by Section 6.4 of the Lease, or in the event the Authority fails to maintain the Project in good repair and in reasonably safe condition, or to cause the Project to be so maintained, the Bond Trustee may take out any such insurance on the Project that the Authority has failed to furnish or cause to be furnished and may pay the premiums thereon, or it may pay the expenses of keeping the Project in good repair and in reasonably safe condition, as the case may be. The Bond Trustee shall not be obligated to perform any acts or make any payments pursuant to the preceding provisions of this section, unless it shall have been requested to do so by the Holders of a majority in aggregate principal amount of the Bonds then Outstanding and shall have been provided with adequate funds for the purpose of performing such acts or making such payments. All moneys expended under the provisions of this section (whether advanced by the Bond Trustee or by any of the Bondholders) shall be secured by the Indenture, shall be repayable by the Authority upon demand (subject to the provisions of Section 18.1 hereof), shall bear interest from the date on which they are so expended until they are repaid at a per annum rate equal to two percent (2%) above the Base Rate from time to time in effect until such moneys are repaid and shall (together with the interest thereon) be entitled to priority of payment over the principal of and the interest and premium (if any) on the Bonds.

ARTICLE XV

REMARKETING OF SERIES 1997 BONDS

Section 15.1 Remarketing Agent. Porter, White & Company, Inc. is hereby appointed as "Remarketing Agent" for the Series 1997 Bonds, subject to the conditions set forth in this Section 15.1. The Remarketing Agent shall signify its acceptance of the duties and obligations imposed upon it by this Indenture by execution and delivery of an agreement satisfactory to the Bond Trustee. The Remarketing Agent may resign at any time by giving 30 days' prior written notice thereof to the Authority, the Bond Trustee, the Lessee and the Credit Obligor; provided, however, that no such resignation shall become effective until a successor Remarketing Agent has been appointed and has accepted its duties and obligations hereunder.

The Lessee may, with the prior written consent of the Credit Obligor, remove the Remarketing Agent at any time upon seven days' prior written notice thereof to the Remarketing Agent, the Authority and the Bond Trustee. In addition, if at any time:

(1) the Remarketing Agent shall cease to be eligible under this Section 15.1 and shall fail to resign after written request therefor by the Bond Trustee, or

(2) the Remarketing Agent shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Remarketing Agent or of its property shall be appointed or any public officer shall take charge or control of the Remarketing Agent or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, the Bond Trustee may remove the Remarketing Agent upon seven days' written notice thereof to the Remarketing Agent, the Credit Obligor, the Authority and the Lessee.

If the Remarketing Agent shall resign, be removed, or become incapable of acting, or if a vacancy shall occur in the office of Remarketing Agent for any cause, the Authority shall, with the prior written consent of the Lessee and the Credit Obligor, promptly appoint a successor Remarketing Agent. Any successor Remarketing Agent (i) shall be authorized by law to perform all the duties imposed upon it by this Indenture and (ii) shall (A) have a rating of its senior debt obligations by Moody's Investors Service, Inc. not lower than Baa-3/P-3 or (B) be otherwise acceptable to said Moody's Investors Service, Inc. The Bond Trustee shall give notice of each resignation and each removal of the Remarketing Agent and each appointment of a successor Remarketing Agent by mailing written notice of such event by first-class mail, postage prepaid, to the Holders of Series 1997 Bonds as their names and addresses appear in the registry books of the Bond Trustee. Each notice shall include the name of the successor Remarketing Agent and the address of its principal office.

Section 15.2 Remarketing of Tendered Bonds. Unless otherwise directed by the Lessee, the Remarketing Agent will use its best efforts to remarket all Series 1997 Bonds tendered or deemed to be tendered for purchase pursuant to the Optional or Mandatory Tender provisions of Article VII hereof within 30 days from the date such Series 1997 Bonds were tendered or deemed tendered for purchase, and, when directed in writing by the Lessee, to remarket all Series 1997 Bonds held by the Bond Trustee pursuant to this Section 15.2. The Lessee may at any time, upon written direction to the Remarketing Agent, direct the Remarketing Agent to cease or resume the remarketing of some or all of the Series 1997 Bonds. Notwithstanding any other provision of this Indenture, no Series 1997 Bond or portion thereof that has been tendered or deemed tendered for purchase hereunder shall be remarketed by the Remarketing Agent more than 30 days after the date such Series 1997 Bond was tendered or deemed tendered unless there shall first have been delivered to the Tender Agent an opinion of Bond Counsel to the effect that

such remarketing will not cause interest on the Series 1997 Bonds to be Taxable. Anything contained herein to the contrary notwithstanding, the Remarketing Agent may not remarket the Series 1997 Bonds to the Authority or to the Lessee or to any Affiliate of either thereof.

(a) Notice to Bond Trustee. At or prior to 1:00 p.m. (Birmingham, Alabama time) on any Tender Date (or at such other time to which the Bond Trustee shall agree), the Remarketing Agent shall give telegraphic or telephonic notice, promptly confirmed in writing, to the Bond Trustee specifying or confirming the names, addresses, and taxpayer identification numbers of the purchasers of, and the principal amount and Authorized Denominations of, such Series 1997 Bonds, if any, remarketed by it pursuant to this Section 15.2. The Remarketing Agent shall make appropriate settlement arrangements between the purchasers of such remarketed Series 1997 Bonds and the Bond Trustee, and shall direct such purchasers by appropriate instructions to pay the purchase price of such Series 1997 Bonds to the Bond Trustee at or before 1:00 p.m. (Birmingham, Alabama time) on the Tender Date. The Bond Trustee shall deposit the proceeds of any such remarketing in the Bond Purchase Fund.

(b) Delivery of Remarketed Series 1997 Bonds. Any Series 1997 Bond remarketed by the Remarketing Agent that has been called for prior redemption shall be delivered with a copy of the redemption notice, and any Series 1997 Bond as to which notice of Mandatory Tender has been given shall be delivered with a copy of the notice of Mandatory Tender.

Section 15.3 Tender Agent. The Bond Trustee is hereby appointed as Tender Agent for the Series 1997 Bonds, subject to the conditions set forth in this Section 15.3. The Bond Trustee may appoint a Tender Agent to act on its behalf in the acceptance of delivery of Series 1997 Bonds tendered for purchase pursuant to the optional or mandatory tender provisions of this Indenture and in the authentication and delivery of Series 1997 Bonds pursuant to the transfer and exchange provisions of this Indenture. For all purposes of this Indenture, (i) Series 1997 Bonds to be purchased pursuant to the optional or mandatory tender provisions of this Indenture may be delivered to the Tender Agent, and (ii) the authentication and delivery of Series 1997 Bonds by the Tender Agent pursuant to the transfer and exchange provisions of this Indenture shall be deemed to be the authentication and delivery of Series 1997 Bonds "by the Bond Trustee". Any Tender Agent appointed by the Bond Trustee shall signify its acceptance of such appointment by execution and delivery of an agreement satisfactory to the Bond Trustee. Anything contained herein to the contrary notwithstanding, the Tender Agent may not release any Pledged Bonds until it shall have received written notice from the Credit Obligor that the interest on the Series 1997 Bonds covered by the Letter of Credit will be reinstated to an amount at least equal to interest on the then outstanding Series 1997 Bonds for the maximum number of days contemplated by the Letter of Credit.

Any such Tender Agent (i) shall at all times be a bank or trust company with a combined capital and surplus of at least \$50,000,000, (ii) shall at all times be a corporation organized and doing business under the laws of the United States or of any state and authorized under such laws to exercise corporate trust powers and subject to supervision and examination by federal

or state authority and (iii) shall (A) have a rating of its senior debt obligations by Moody's Investors Service, Inc. not lower than Baa-3/P-3 or (B) be otherwise acceptable to said Moody's Investors Service, Inc. If such corporation publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Any corporation into which any Tender Agent may be merged or converted or with which it may be consolidated, any corporation resulting from any merger, consolidation, or conversion to which any Tender Agent shall be a party, or any corporation succeeding to the corporate trust business of any Tender Agent, shall be the successor of the Tender Agent hereunder, if such successor corporation is otherwise eligible under this Section 15.3, without the execution or filing of any further act on the part of the parties hereto or the Tender Agent or such successor corporation.

Any Tender Agent may at any time resign by giving written notice of resignation to the Bond Trustee, the Authority and the Lessee. With the prior written consent of the Authority, the Bond Trustee may at any time terminate the agency of any Tender Agent by giving written notice of termination to such Tender Agent and the Lessee. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Tender Agent shall cease to be eligible under this Section 15.3, the Bond Trustee shall, after obtaining the written prior approval of the Authority, promptly appoint a successor Tender Agent, shall give written notice of such appointment to the Authority and the Lessee and shall mail notice of such appointment by first-class mail to all holders of Series 1997 Bonds as the names and addresses of such holders appear on the registry books of the Bond Trustee. Any resignation or removal of the Tender Agent and appointment of a successor pursuant to the provisions of this Section shall become effective upon acceptance of appointment by the successor Tender Agent.

ARTICLE XVI

SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE LEASE

Section 16.1 Supplemental Indentures Without Bondholder Consent. Without the consent of or notice to any Bondholders, but subject to the provisions of Section 16.7 hereof, the Authority and the Bond Trustee may, at any time and from time to time, enter into such Supplemental Indentures (in addition to such Supplemental Indentures as are otherwise provided for herein or contemplated hereby, including, without limitation, Supplemental Indentures providing for the issuance of Additional Bonds) as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

- (a) to add to the covenants and agreements of the Authority herein contained other covenants and agreements thereafter to be observed and performed by the Authority, provided that such other covenants and agreements shall not

either expressly or impliedly limit or restrict any of the obligations of the Authority contained in the Indenture;

(b) to provide for the surrender by the Authority of any right or power conferred in the Indenture on the Authority, or to grant to or confer upon the Bondholders or the Bond Trustee, for the benefit of the Bondholders, any right, power or authority that may lawfully be granted to or conferred upon the Bondholders or the Bond Trustee;

(c) to cure or correct any ambiguity, defect or inconsistent provision contained in the Indenture or in any Supplemental Indenture or to make any provisions with respect to matters arising under the Indenture or any Supplemental Indenture for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of the Indenture or any Supplemental Indenture and do not adversely affect the interests of the Holders of the Bonds;

(d) to grant or pledge to the Bond Trustee for the benefit of the Bondholders any additional security other than that granted or pledged under the Indenture;

(e) to make revisions to the Indenture deemed necessary by Bond Counsel to retain the exemption of the interest on the Series 1997 Bonds from federal income taxation; or

(f) to make any revisions to the Indenture required to obtain a specific investment rating from a nationally recognized securities rating agency.

Section 16.2 Supplemental Indentures Requiring Bondholder Consent. In addition to those Supplemental Indentures permitted by Section 16.1 hereof, the Authority and the Bond Trustee may, at any time and from time to time, with the written consent of the Holders of a majority in principal amount of the Bonds then Outstanding and subject to the provisions of Section 16.7 hereof, enter into such Supplemental Indentures as shall be deemed necessary or desirable by the Authority and the Bond Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture; provided that, without the written consent of the Holder of each Bond affected, no reduction in the principal amount of, the rate of interest on, or the premium payable upon the redemption of, any Bond shall be made; and provided further that, without the written consent of the Holders of all the Bonds then Outstanding, none of the following shall be permitted:

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

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

(c) the creation of a lien or charge on the Trust Estate or any other property hereafter made subject to the lien of the Indenture ranking prior to or (except in connection with the issuance of Additional Bonds) on a parity with the pledge and assignment thereof made in the Indenture;

(d) the establishment of preferences or priorities as between the Bonds;
or

(e) a reduction in the aggregate principal amount of Bonds the Holders of which are required to consent to such Supplemental Indenture.

Section 16.3 Execution of Supplemental Indentures. The Authority and the Bond Trustee recognize that under the terms of Section 9.5 of the Lease, they may not make any amendment of the Indenture or any Supplemental Indenture without the prior written consent of the Lessee. Subject to such consent (if required by the terms of said Section 9.5), the Bond Trustee is authorized to join with the Authority in the execution of any Supplemental Indenture authorized under the provisions of this article and to make the further agreements and stipulations which may be contained therein, but the Bond Trustee shall not be obligated to enter into any such Supplemental Indenture which affects its rights, duties or immunities under the Indenture. Upon the execution of any Supplemental Indenture under and pursuant to the provisions of this Article XVI, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the Authority, the Bond Trustee and all Holders of the Bonds then Outstanding shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 16.4 Amendments to the Lease. With the prior written consent of the Bond Trustee (and, so long as the Letter of Credit remains in effect, the Credit Obligor), but without the consent of or notice to any Bondholders, the Authority and the Lessee may

(a) amend, change or modify the Lease so as to identify more precisely the Project or to substitute or add additional machinery, equipment or other property or additional rights and interests in property acquired in accordance with the provisions of the Lease, and

(b) amend, change or modify the Lease to cure or correct any ambiguity, defect or inconsistent provision contained in the Lease or to make provision

with respect to matters arising under the Lease for any other purpose if such provisions are necessary or desirable, are not inconsistent with the provisions of the Lease or the Indenture and do not, in the sole and uncontrolled judgment of the Bond Trustee, adversely affect the interests of the Bondholders.

The Authority and the Lessee may, at any time and from time to time, with the prior written consent of the Bond Trustee (and, so long as the Letter of Credit remains in effect, the Credit Obligor) and the written consent of the Holders of a majority in principal amount of the Bonds then Outstanding, amend, change or modify the Lease to such extent as shall be deemed necessary or desirable by the Authority and the Lessee, provided that without the written consent of the Holders of all the Bonds then Outstanding, no such amendment, change or modification shall permit (i) any abatement of, or reduction in the amount of, the Basic Rent prior to payment in full of the principal of and the interest and premium (if any) on the Bonds [other than a reduction resulting from, and directly proportional to, a reduction in the amounts required for payment of the principal of or the interest or premium (if any) on the Bonds], (ii) any change in the due dates of the Basic Rent prior to such full payment of the Bonds, or (iii) any other change that, in the sole and uncontrolled judgment of the Bond Trustee, might adversely affect the interests of the Bondholders.

Section 16.5 Notices With Respect to Certain Changes in the Indenture or the Lease. If at any time the Authority shall request the Bond Trustee to enter into any Supplemental Indenture requiring the written consent of the Holders of a majority in principal amount of the Bonds then Outstanding, or to consent to any amendment, change or modification to the Lease requiring the written consent of the Holders of a majority in principal amount of the Bonds then Outstanding, the Bond Trustee shall, upon being satisfactorily indemnified with respect to its prospective expenses incident thereto, cause notice of the proposed Supplemental Indenture or the proposed amendment, change or modification to the Lease, as the case may be, to be forwarded by United States registered or certified mail, postage prepaid, to every Bondholder then shown on the registry books of the Bond Trustee. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture or the proposed amendment, change or modification to the Lease, as the case may be.

If, within sixty (60) days (or such longer period as shall be prescribed by the Bond Trustee) following the date on which the last of the notices to Bondholders were mailed as aforesaid, the Holders of a majority in aggregate principal amount of the Bonds Outstanding at the time of the execution of any such Supplemental Indenture or at the time of the execution of such proposed amendment, change or modification to the Lease, as the case may be, shall have consented to and approved the execution thereof as herein provided, and if such Supplemental Indenture or proposed amendment, change or modification to the Lease, as the case may be, does not require the written consent of the Holders of all the Bonds then Outstanding, and if all other conditions hereof prerequisite to the execution of such Supplemental Indenture or proposed amendment, change or modification to the Lease, as the case may be (including, without limitation, such consent of the Lessee and the Credit Obligor as may then be required by the

provisions hereof), shall have been satisfied, then, and in such case, no Holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

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

Section 16.6 Discretion of the Bond Trustee. In the case of (i) any Supplemental Indenture authorized by either Section 16.1 or 16.2 hereof or (ii) any amendment, change or modification to the Lease authorized by Section 16.4 hereof, the Bond Trustee shall be entitled to exercise its discretion in determining whether or not any proposed Supplemental Indenture, or any proposed amendment, change or modification to the Lease, or any term or provision contained in any thereof, is proper or desirable, having in view the purposes of such instrument, the needs of the Authority, the Lessee and the Project and the rights and interests of the Bondholders, and the Bond Trustee shall not be under any responsibility or liability to the Authority or to any Bondholder or to anyone whomsoever for any act or thing which it may in good faith do or decline to do under the provisions of this article. The Bond Trustee shall be entitled to receive, and shall be fully protected in relying upon, an opinion of Independent Counsel acceptable to it as conclusive evidence that any such Supplemental Indenture, or any such amendment, change or modification to the Lease, complies with the provisions of the Indenture and that it is proper for the Bond Trustee acting under the provisions of this article to join in the execution of such Supplemental Indenture or to consent to such amendment, change or modification to the Lease.

Section 16.7 Consent of the Credit Obligor Required. At any time while the Letter of Credit shall be in effect or any obligation of the Lessee to the Credit Obligor pursuant to the Credit Agreement shall be outstanding, no Supplemental Indenture or amendment, change or modification to the Lease shall become effective unless and until the Credit Obligor shall have consented thereto in writing. Written notice of any Supplemental Indenture or amendment, change or modification to the Lease shall be furnished by the Authority to the Credit Obligor and to any Rating Agency which then has an outstanding rating on the Series 1997 Bonds.

ARTICLE XVII

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 17.1 **Satisfaction of Indenture.** Whenever (i) the entire Indenture Indebtedness shall have been fully paid and the Authority shall have performed and observed all the covenants and promises expressed in the Bonds and in the Indenture to be performed and observed by it or on its part and (ii) the Letter of Credit shall have terminated and all amounts drawn thereunder, together with the interest (if any) accrued thereon under the terms of the Credit Agreement, shall have been reimbursed to the Credit Obligor, then and in that case, the right, title and interest of the Bond Trustee in and to the Trust Estate [except for moneys and investments held by the Bond Trustee in accordance with the succeeding provisions of this Section 17.1 for the payment of the principal of and the interest and premium (if any) on any of the Bonds] shall thereupon cease, terminate and become void, and the Bond Trustee shall execute and deliver to the Authority such instruments as shall be requisite to cancel and discharge the Indenture and to transfer to the Authority any remaining rights it may have in the Trust Estate.

For purposes of the Indenture (except as may herein or in the Lease be expressly provided otherwise), any of the Bonds shall be deemed to have been fully paid when there shall have been irrevocably deposited with the Bond Trustee for payment thereof the entire amount (principal, interest and premium, if any) due or to be due thereon until and at maturity, and, further, any Bonds subject to redemption shall also be deemed to have been fully paid when the Authority shall have deposited with the Bond Trustee the following:

- (a) the applicable redemption price in cash of such Bonds, including the interest that will mature thereon to the earliest date on which they may, under the terms of the Indenture, be redeemed, and
- (b) a certified copy of a Resolution calling such Bonds for redemption (if, under the terms of Section 6.1 hereof, the adoption of such a Resolution is required).

During any Variable Rate Period, no Series 1997 Bonds shall be considered to have been fully paid in the manner described in this paragraph unless (i) the moneys held by the Bond Trustee for the payment or redemption of such Series 1997 Bonds shall have been drawn by the Bond Trustee under the Letter of Credit, (ii) the date on which the Series 1997 Bonds are to be redeemed shall occur prior to the next interest rate adjustment on the Series 1997 Bonds and (iii) no such Series 1997 Bonds shall have been tendered but not yet purchased pursuant to the provisions hereof.

In addition, during a Fixed Rate Period, any of the Bonds that will mature or be called for redemption prior to the last day of such Fixed Rate Period shall, for all purposes of the Indenture, be considered as fully paid if the Bond Trustee shall be provided with each of the following:

(1) a trust agreement between the Authority and the Bond Trustee making provision for the retirement of such Bonds by creating for that purpose an irrevocable trust fund sufficient to provide for payment and retirement of such Bonds (including payment of the interest that will mature thereon until and on the dates they are retired, as such interest becomes due and payable), either by redemption prior to their respective maturities, by payment at their respective maturities or by payment of part thereof at their respective maturities and redemption of the remainder prior to their respective maturities (but in any case, such maturity or redemption shall occur on or before the date immediately following the Fixed Rate Period then in effect with respect to such Bonds), which said trust fund shall consist of (i) Federal Obligations which are not subject to redemption prior to their respective maturities at the option of the issuer and which, if the principal thereof and the interest thereon are paid at their respective maturities, will produce funds sufficient so to provide for payment and retirement of all such Bonds, or (ii) both cash and such Federal Obligations which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose; provided, however, that said trust agreement shall require the Bond Trustee to keep all cash held on deposit in such trust fund continuously secured by holding, as collateral security, Federal Obligations having a market value (exclusive of accrued interest) not less than the amount of moneys on deposit in such trust fund;

(2) a certified copy of a Resolution calling for redemption those of such Bonds that, according to said trust agreement, are to be redeemed prior to their respective maturities (if, under the terms of Section 6.1 hereof, the adoption of such a Resolution is required); and

(3) a certificate of a firm of certified public accountants stating that, if the principal of and the interest on the investments (if any) forming part of the trust fund provided for in the preceding subparagraph (1) are paid on the respective due dates of such principal and interest, said trust fund will produce funds sufficient to provide for the full payment and retirement of such Bonds.

The Bond Trustee is hereby irrevocably authorized to give notice, in accordance with the requirements of Article VI hereof, of the redemption of any Bonds to be effected in connection with arrangements made pursuant to the provisions of this section.

Section 17.2 Destruction of Surrendered Bonds. Upon the surrender to the Bond Trustee of any mutilated Bonds, Bonds transferred or exchanged for other Bonds, Bonds redeemed or paid at maturity by the Authority or Bonds purchased for retirement, such Bonds shall forthwith be cancelled and destroyed by the Bond Trustee, which shall deliver its certificate confirming such destruction to the Authority and the Lessee.

Section 17.3 Payment to Lessee of Remaining Trust Fund Moneys. At such time as the entire Indenture Indebtedness shall have been fully paid in accordance with the provisions of Section 17.1 hereof, the Bond Trustee shall, if the Lease has not theretofore been terminated as a result of a Lease Default, pay to the Credit Obligor, to the extent that any amounts are then owed to it under the Credit Agreement, any surplus moneys then remaining in any of the special trust funds created in the Indenture, but not including any amounts held by the Bond Trustee for the payment of the principal of and the interest and premium (if any) on the Bonds. Any such surplus moneys remaining after the payment of all amounts then owed to the Credit Obligor under the Credit Agreement shall be paid to the Lessee.

ARTICLE XVIII

MISCELLANEOUS PROVISIONS

Section 18.1 Disclaimer of General Liability. It is hereby expressly recognized and made a condition of this Indenture that

(a) the liability of the Authority for the payment of the principal of and the interest and premium (if any) on the Bonds and the performance and observance of all agreements, covenants, warranties and representations of the Authority contained in the Indenture or the Bonds shall be limited to the proper application of the revenues and receipts derived from the leasing or sale of the Project,

(b) the agreements, covenants, warranties or representations contained in the Indenture or in any of the Bonds do not and shall never constitute or give rise to any pecuniary liability or charge against the general credit of the Authority, and

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

Neither the State of Alabama nor the Authority or any other political subdivision of said state shall in any manner be liable for the payment of the principal of or the interest or premium (if

any) on any of the Bonds or for the performance or observance of any of the agreements, covenants, warranties or representations of the Authority contained in the Indenture or in any of the Bonds. Further, none of the commissioners, officers, employees or agents (other than the Lessee when acting as agent of the Authority in accordance with the provisions of the Lease and the Indenture) of the Authority shall have any personal liability whatever hereunder or any liability for the breach by the Authority of any of the agreements, covenants, warranties or representations 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 the commissioners, officers, employees or agents 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 18.2 Retention of Moneys for Payment of Bonds. Should any of the Bonds not be presented for payment when due, whether by maturity or otherwise, the Bond Trustee shall, subject to the provisions of any applicable escheat or other similar law, retain from any moneys transferred to it for the purpose of paying said Bonds so due, for the benefit of the Holders thereof, a sum of money sufficient to pay such Bonds when the same are presented by the Holders thereof for payment (upon which sum the Bond Trustee shall not be required to pay interest); provided, however, that the payment of any Bonds shall be subject to the provisions of any Home Office Payment Agreement in effect with respect to such Bonds. All liability of the Authority to the Holders of such Bonds and all rights of such Holders against the Authority under the Bonds or under the Indenture shall thereupon cease and terminate, and the sole right of such Holders shall thereafter be against such deposit. If any Bond shall not be presented for payment within a period of three (3) years following the date when such Bond becomes due, whether by maturity or otherwise, the Bond Trustee shall, subject to the provisions of any applicable escheat or other similar law, return to the Authority any moneys theretofore held by it for payment of such Bond, and such Bond shall (subject to the defense of any applicable statute of limitation) thereafter be an unsecured obligation of the Authority.

Section 18.3 Granting of Utility and Access Easements. Any other provisions hereof to the contrary notwithstanding, the Authority may grant such utility, access and other similar easements, permits and rights-of-way over, across or under the Project Site as shall be requested in writing by the Lessee, provided that in connection with the grant of each such easement, permit or right-of-way the Bond Trustee is furnished a certificate of the Lessee signed by an Authorized Lessee Representative stating that such easement, permit or right-of-way is, or will be, useful or necessary in the operation of the Project and will not materially interfere with or impair the use of the Project for the purpose for which it was acquired or is held by the Authority.

Section 18.4 Payment Due on Saturdays, Sundays and Holidays. In any case where the date of maturity of the principal of or the interest or premium (if any) on the Bonds, or the

redemption date of any Bonds, shall be, at the locale of payment, a day other than a Business Day, then payment of such principal, interest and premium (if any) need not be made on such date, but may be made on the next succeeding Business Day with the same force and effect as if made on such date of maturity or such redemption date, and no interest shall accrue for the period after such date of maturity or such redemption date, as the case may be.

Section 18.5 Form of Requests, etc. by Bondholders. Any request, direction or other instrument required to be signed or executed by Bondholders may be in any number of concurrent instruments of similar tenor, signed, or executed in person or by agent appointed in writing. Such signature or execution may be proved by the certificate of a notary public or other officer at the time authorized to take acknowledgments to deeds to be recorded in the State of Alabama, stating that the signer was known to him and acknowledged to him the execution thereof.

Section 18.6 Limitation of Rights. Nothing herein or in the Bonds shall confer any right on anyone other than the Authority, the Bond Trustee, the Credit Obligor, the Lessee and the Holders of the Bonds; provided, however, that anything herein or in the Lease to the contrary notwithstanding, the Lessee shall have no rights hereunder at any time during which a Lease Default shall have occurred and be continuing. Upon the expiration of the Letter of Credit and the payment in full of all amounts owed to the Credit Obligor under the Credit Agreement, all references herein to the Credit Obligor shall be ineffective and the Credit Obligor and the Lessee shall thereafter have no rights hereunder.

Section 18.7 Manner of Proving Ownership of Bonds. The ownership at any given time of a Bond may be proved by a certificate of the Bond Trustee stating that on the date stated the Bond described was registered on its books in the name of the stated party.

Section 18.8 Indenture Governed by Alabama Law. The Indenture shall in all respects be governed by and construed in accordance with the laws of the State of Alabama.

Section 18.9 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 Lessee:

AmSouth Bank
6th Floor
AmSouth/Harbert Plaza
1901 6th Avenue North
[Post Office Box 11007 (35288)]
Birmingham, Alabama 35203
Attention: D. A. Ferguson

(c) If to the Bond Trustee:

AmSouth Bank
Seventh Floor
AmSouth/Harbert Plaza
1901 6th Avenue North
[Post Office Box 11007 (35288)]
Birmingham, Alabama 35203
Attention: Corporate Trust Administration

(d) If to the Credit Obligor:

AmSouth Bank
Upper Lobby
AmSouth-Sonat Tower
5th Avenue North
[Post Office Box 11007 (35288)]
Birmingham, Alabama 35203
Attention: Metropolitan Commercial Banking

Any of the above-mentioned parties may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. The Bond Trustee and the Authority will send a copy of each notice that either thereof gives to the other pursuant to the provisions hereof to the Lessee and the Credit Obligor; provided, however, that the failure of either the Authority or the Bond Trustee to send a copy of any such notice to the Lessee and the Credit Obligor shall not invalidate such notice or render it ineffective unless notice to the Lessee and the Credit

Obligor is otherwise expressly required herein. Any notice hereunder signed on behalf of the notifying party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee.

Section 18.10 Notice to Rating Agencies. The Authority shall give written notice to each Rating Agency (if any) maintaining a rating for the Series 1997 Bonds (i) of any Supplemental Indenture, any amendment to the Lease, the Letter of Credit or the Credit Agreement, or any other modification to documents or agreements respecting the rights or duties of the Authority, the Lessee, the Bond Trustee, the Credit Obligor, the Tender Agent or the Remarketing Agent with respect to the Series 1997 Bonds, (ii) a change in the interest period on the Series 1997 Bonds that is not covered by the Letter of Credit, (iii) any expiration, termination, extension, or substitution of the Letter of Credit, (iv) any redemption (other than a scheduled mandatory redemption pursuant to the provisions of Section 7.8(e) hereof) or acceleration of any Bonds, and (v) when all Bonds are no longer Outstanding. Such notice shall be given to each such Rating Agency within five (5) Business Days after the date on which the Supplemental Indenture, amendment or modification or other event requiring such notice shall become effective.

Section 18.11 Severability. In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 18.12 Article and Section Captions. The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

IN WITNESS WHEREOF, the Authority has caused this Indenture to be executed in its name and behalf by the Chairman of the Directors, has caused its official seal to be hereunto affixed and has caused this Indenture to be attested by the Secretary of the Authority, and the Bond Trustee, to evidence its acceptance of the trusts hereby created, has caused this Indenture to be executed in its name and behalf, has caused its seal to be hereunto affixed and has caused this Indenture to be attested, by its duly authorized officers, all in eight (8) counterparts, each of which shall be deemed an original, and the Authority and the Bond Trustee have caused this Indenture to be dated as of ~~November~~ 1, 1997, although actually executed and delivered on ~~November~~ 26, 1997.

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THE EDUCATIONAL BUILDING AUTHORITY
OF THE TOWN OF INDIAN SPRINGS VILLAGE

By Robert L. Shum
Chairman of its Board of Directors

ATTEST:

Ante J. Jones
Secretary

[SEAL]

AMSOUTH BANK

By W. S. Webb
Its VICE PRESIDENT

ATTEST:

Kara Lee Porter
ASSISTANT VICE PRESIDENT
Its _____

[SEAL]

STATE OF ALABAMA)
 :
SHELBY 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 4th day of November, 1997.

[NOTARIAL SEAL]

E. Allen Ray

Notary Public

My Commission Expires: 9/8/2001

STATE OF ALABAMA)
 :
JEFFERSON COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Charles S. Northen IV, whose name as VICE PRESIDENT of AMSOUTH BANK, an Alabama banking corporation, 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 banking corporation.

GIVEN under my hand and seal, this 26th day of November, 1997.

[NOTARIAL SEAL]

E. Allen Ray

Notary Public

My Commission Expires: 9/8/2001

Inst # 1998-21184