

FIRST SUPPLEMENTAL INDENTURE

between

**THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO**

and

REGIONS BANK

Dated as of March 1, 1999

Relating to

\$765,000

**THE AMERICAN VILLAGE PUBLIC EDUCATIONAL
BUILDING AUTHORITY OF THE CITY OF MONTEVALLO**

**Subordinated Revenue Bonds
(The American Village Citizenship Trust Project)
Series 1999**

Inst # 1999-13846

04/01/1999-13846
01:45 PM CERTIFIED
SHELBY COUNTY JUDGE OF PROBATE
53.50
019 MNS

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

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FIRST SUPPLEMENTAL INDENTURE between **THE AMERICAN VILLAGE PUBLIC EDUCATIONAL BUILDING AUTHORITY OF THE CITY OF MONTEVALLO**, a public corporation and instrumentality under the laws of the State of Alabama (herein called the "Authority"), and **REGIONS BANK**, an Alabama banking corporation in its capacity as Trustee under that certain Mortgage and Trust Indenture of the Authority dated as of June 1, 1998 (said banking corporation in such capacity, as well as any successor trustee under said Mortgage and Trust Indenture, being herein called the "Trustee"),

R E C I T A L S

Under and pursuant to the provisions of the aforesaid Mortgage and Trust Indenture (herein called the "Indenture"), the Authority has heretofore issued \$3,860,000 principal amount of Revenue Bonds (The American Village Citizenship Trust Project), Series 1998 (herein called the "Series 1998 Bonds"). The Series 1998 Bonds were issued to finance permanently the costs of acquiring, improving and equipping the "Project" therein described. Under and pursuant to a Lease Agreement dated as of June 1, 1998 (said Lease Agreement being herein called the "Lease"), the Authority has leased the Project to The Citizenship Trust, a nonprofit corporation organized and existing under the laws of the State of Alabama (which, together with its successors and assigns, is herein called the "Trust").

The Authority, with the approval of the Trust, proposes to sell and issue the Series 1999 Bonds hereinafter referred to in order to obtain funds to pay for the balance of the costs of acquiring, constructing and installing the Project. The Authority and the Trust have entered into a First Supplemental Lease Agreement dated as of March 1, 1999 (herein called the "First Supplemental Lease"), which provides, among other things, for the payment by the Trust of additional rentals sufficient to pay when due the principal of and the interest and premium (if any) on said Series 1999 Bonds. The Authority has, by proper corporate action and pursuant to the provisions of the Indenture, duly authorized said Series 1999 Bonds, which are subject and subordinate to the Series 1998 Bonds as respects the security provided under the Indenture. This First Supplemental Indenture is executed in order to specify the details with respect to said Series 1999 Bonds.

NOW, THEREFORE,

THIS FIRST SUPPLEMENTAL INDENTURE

W I T N E S S E T H:

It is hereby agreed among the Authority, the Trustee and the holders at any time of said Series 1999 Bonds (the holders of said Series 1999 Bonds evidencing their consent hereto by the acceptance of said Series 1999 Bonds), each with each of the others, as follows:

ARTICLE I

DEFINITIONS AND USE OF PHRASES

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

"**Series 1999 Bonds**" means those of the Bonds bearing the designation Subordinated Revenue Bonds (The American Village Citizenship Trust Project), Series 1999, and authorized to be issued in Article III hereof.

"**Series 1999 Original Purchaser**" means Blount Parrish & Company, the original purchaser of the Series 1999 Bonds from the Authority.

"**First Supplemental Indenture**" means this First Supplemental Indenture as it now exists and as it may from time to time be amended or supplemented.

"**First Supplemental Lease**" means that certain First Supplemental Lease Agreement dated as of March 1, 1999, between the Authority and the Trust, as said First Supplemental Lease Agreement now exists and as it may from time to time be amended or supplemented.

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

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

ARTICLE II

GRANTING CLAUSES

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

I

All items (whether or not fixtures) of machinery, equipment and other personal property that at any time, under the provisions of the Lease (as supplemented and amended by the First Supplemental Lease) or of the Indenture (as supplemented and amended by the First Supplemental Indenture), constitute a part of the Project Equipment.

II

The moneys required by the Lease (as supplemented and amended by the First Supplemental Lease) or the Indenture (as supplemented and amended by the First Supplemental 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 (as supplemented and amended by the First Supplemental Lease) and the Indenture (as supplemented and amended by the First Supplemental Indenture).

ARTICLE III

THE SERIES 1999 BONDS

Section 3.1 Authorization and Description of the Series 1999 Bonds. Pursuant to the applicable provisions of Chapter 18 of Title 16 of the Code of Alabama 1975, and for the purposes of (i) providing long-term financing for a portion of the costs of acquiring, constructing and installing the Project, and (ii) paying the costs of the issuance thereof, there are hereby authorized to be issued by the Authority \$765,000 in principal amount of its Subordinated Revenue Bonds (The American Village Citizenship Trust Project), Series 1999. The Series 1999 Bonds shall be dated March 1, 1999, shall be numbered from 1 upwards in the order issued and

shall be issued initially in the respective principal amounts of \$5,000 or any greater integral multiple thereof. The Series 1999 Bonds shall mature and become payable on March 1, 2002, and shall bear interest from their date, payable on September 1, 1999, and on each March 1 and September 1 thereafter at the rate of 6.25% per annum.

The principal of and the interest on any Series 1999 Bond shall bear interest after their respective due dates until paid at the rate of interest borne by the principal of such Series 1999 Bond prior to maturity. The Series 1999 Bonds shall be initially issued and registered in the names of such Holders as shall be designated by the initial purchasers of the Series 1999 Bonds.

Section 3.2 Method of Payment of the Series 1999 Bonds. The principal of the Series 1999 Bonds shall be payable at the principal corporate trust office of the Trustee in Birmingham, Alabama, upon presentation and surrender of the Series 1999 Bonds as the same become due and payable, whether at maturity or upon redemption prior to maturity, except that in the case of any Series 1999 Bond originally issued in a principal amount of not less than \$100,000, the interest on the said Series 1999 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. Interest on the Series 1999 Bonds shall be payable by check or draft mailed or otherwise delivered by the Trustee to the respective Holders thereof at their addresses as they appear on the registry books of the Trustee pertaining to the registration of the Series 1999 Bonds. Any such payment 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 Trustee hereby designates February 15 and August 15 of each year as the record dates for the payment of interest due on the Series 1999 Bonds on the immediately succeeding March 1 and September 1, respectively; therefore, interest on the Series 1999 Bonds shall be payable on each March 1 and September 1 to the Holders of record of the Series 1999 Bonds as of the immediately preceding record date.

Section 3.3 Optional Redemption of the Series 1999 Bonds. The Series 1999 Bonds will be subject to redemption and prepayment prior to their stated maturity, at the option of the Authority (which option shall be exercisable only upon request by the Trust if at the time the Lease is still in effect and no Lease Default shall have occurred and be continuing), as a whole or in part (but, if redeemed in part, in the inverse order of their maturities) on September 1, 1999, and on any date thereafter, at and for the following respective redemption prices (expressed as a percentage of the principal amount thereof) plus accrued interest to the date fixed for redemption:

**Redemption Period
(Dates Inclusive)**

Redemption Price

September 1, 1999 to February 28, 2000
March 1, 2000 and thereafter

101%
100%

The Series 1999 Bonds may be redeemed only in installments of \$5,000 or any integral multiple thereof. In the event that less than all of the Series 1999 Bonds of a particular maturity are redeemed and prepaid pursuant to this Section 3.3, the Trustee shall select by lot the Series 1999 Bonds (or portions of the principal thereof) of such maturity to be redeemed and prepaid. The redemption of Series 1999 Bonds pursuant to this section shall comply with the applicable provisions of Article VI of the Indenture, including the giving of such notice to the Holders of Series 1999 Bonds called for redemption as may be required by Section 6.1(b) of the Indenture.

Section 3.4 Mandatory Redemption of the Series 1999 Bonds. The Series 1999 Bonds shall be subject to redemption and payment as a whole on any date at and for a redemption price, with respect to each Series 1999 Bond, equal to the principal amount thereof plus accrued interest thereon to the redemption date, but only in the event of (i) the taking by eminent domain of all or substantially all the Project with the consequences described in Section 3.2(a) of the Lease or (ii) the exercise by the Trust of its option under Section 11.2 of the Lease to purchase the Project. In case all the Series 1999 Bonds are required to be redeemed pursuant to clause (i) of the first sentence of this paragraph, the date fixed for such redemption shall be the date on which the Lease terminates as provided in said Section 3.2(a) thereof. In case all the Series 1999 Bonds are required to be redeemed pursuant to clause (ii) of the first sentence of this paragraph, the date fixed for such redemption shall be the date specified by the Trust in the related notice delivered to the Authority and the Trustee pursuant to Section 11.2 of the Lease.

Section 3.5 Purchase of Series 1999 Bonds for Retirement. The Authority may at any time and from time to time purchase Series 1999 Bonds for retirement using funds from any source (subject to the limitations contained in Sections 10.1 and 10.2 of the Indenture). Any Series 1999 Bonds so purchased for retirement shall be delivered by the Authority to the Trustee, together with a written order of an authorized officer of the Authority for their cancellation, whereupon such purchased Series 1999 Bonds shall be cancelled by the Trustee. In the event that the Authority elects to purchase any Series 1999 Bonds for retirement, the Trustee may, if requested to do so by the Authority, solicit for tenders of Series 1999 Bonds by holders thereof who wish to sell such Series 1999 Bonds to the Authority.

Section 3.6 Form of Series 1999 Bonds. The Series 1999 Bonds and the registration certificate and assignment applicable thereto shall be in substantially the following forms, respec-

tively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

[Form of Series 1999 Bond]

No. _____

\$ _____

UNITED STATES OF AMERICA

STATE OF ALABAMA

THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO

Subordinated Revenue Bond
(The American Village Citizenship Trust Project)
Series 1999

Dated Date

Interest Rate

CUSIP

For value received, THE AMERICAN VILLAGE PUBLIC EDUCATIONAL BUILDING AUTHORITY OF THE CITY OF MONTEVALLO, a public corporation under the laws of the State of Alabama (herein called the "Authority"), hereby acknowledges itself indebted to, and orders and directs the Treasurer of the Authority to pay to _____, or registered assigns, solely out of the revenues hereinafter referred to, the principal sum of

D O L L A R S

on March 1, 2002, with interest thereon from the dated date hereof until the maturity hereof at the per annum rate of interest specified above (computed on the basis of a 360-day year of twelve consecutive 30-day months), payable on September 1, 1999, and semiannually thereafter on each March 1 and September 1 until the maturity date hereof. The principal of and the interest on this bond shall bear interest after their respective due dates until paid at the rate of interest borne by the principal hereof prior to maturity. The principal of and premium (if any) on this bond shall be payable only upon presentation and surrender of this bond at the principal corporate trust office of the Trustee hereinafter referred to; provided, however, that in case this bond is initially issued in a principal amount of not less than \$100,000, the said 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 thereon 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 the Indenture hereinafter referred to.

This bond is one of a duly authorized issue or series of bonds authorized to be issued in the aggregate principal amount of \$765,000 and designated Subordinated Revenue Bonds (The American Village Citizenship Trust Project), Series 1999 (herein called the "Series 1999 Bonds"). The Series 1999 Bonds have been issued under a Mortgage and Trust Indenture dated as of June 1, 1998 (herein called the "Indenture"), between the Authority and Regions Bank, as Trustee (herein, in such capacity, together with its successors in trust, called the "Trustee"), as supplemented and amended by a First Supplemental Indenture dated as of March 1, 1999 (herein called the "First Supplemental Indenture"). The Authority has heretofore issued under the Indenture its \$3,860,000 principal amount of Revenue Bonds (The American Village Citizenship Trust Project), Series 1998 (herein called the "Series 1998 Bonds"), for the purpose of financing the acquisition, construction, equipping and furnishing of citizenship education buildings (which citizenship education buildings and the land upon which they are located and all equipment, furniture and furnishings installed therein are herein collectively called the "Project"). The Series 1999 Bonds have been issued for the purpose of completing the payment of the costs of the acquisition, construction, equipping and furnishing of the Project. The Project has been leased to The Citizenship Trust, an Alabama nonprofit corporation (herein called the "Trust"), pursuant to a Lease Agreement dated as of June 1, 1998 (herein called the "Lease"), as supplemented and amended by a First Supplemental Lease Agreement dated as of March 1, 1999 (herein called the "First Supplemental Lease"). Pursuant to the Lease, the Trust has agreed to pay rentals sufficient to pay the principal of and the interest and premium (if any) on the Series 1998 Bonds when due, and pursuant to the First Supplemental Lease, the Trust has further agreed to pay additional rentals sufficient to pay the principal of and the interest and premium (if any) on the Series 1999 Bonds when due; provided, however, that the obligation of the Trust to pay such rentals allocable to the payment of principal of and interest and premium (if any) on the Series 1999 Bonds shall be subject and subordinate to the prior payment of rentals allocable to the payment of principal of and interest and premium (if any) on the Series 1998 Bonds. As security for the payment by the Trust of rentals under the Lease allocable to the payment of principal of and interest and premium (if any) on the Series 1998 Bonds, the Trust has pledged to the Authority the portion of the proceeds of a lodging tax levied by Shelby County, Alabama, that is appropriated to the Trust, and subject and subordinate to the prior pledge thereof as security for the payment and performance by the Trust of its obligations under the Lease with respect to the payment of the principal of and the interest and premium (if any) on the Series 1998 Bonds, the Trust has further pledged to the Authority such portion of proceeds of such lodging tax that is appropriated to the Trust as security for the payment and performance by the Trust of its obligations under the First Supplemental Lease with respect to the payment of the principal of and the interest and premium (if any) on the Series 1999 Bonds.

THE INDENTURE CONTAINS NO PROVISIONS REQUIRING PUBLICATION OF NOTICE OF REDEMPTION OF ANY SERIES 1999 BOND, AND EACH HOLDER OF ANY OF THE SERIES 1999 BONDS MUST MAINTAIN A CURRENT ADDRESS ON FILE WITH

THE TRUSTEE IN ORDER TO RECEIVE NOTICE OF ANY SUCH REDEMPTION. FROM AND AFTER THE DATE ANY SERIES 1999 BOND IS CALLED FOR REDEMPTION, INTEREST SHALL CEASE TO ACCRUE THEREON (PROVIDED THE TRUSTEE HAS SUFFICIENT FUNDS ON HAND TO EFFECT SUCH REDEMPTION).

The Series 1999 Bonds are subject to redemption prior to their respective maturities as follows:

(1) The Series 1999 Bonds are subject to redemption and prepayment prior to maturity, at the option of the Authority (which option may be exercised only at the request of the Trust if at the time the Lease is still in effect and no default thereunder shall have occurred and be continuing), as a whole or in part, but if in part in inverse order of their maturities, on September 1, 1999, and on any date thereafter, such redemption to be at and for the following respective redemption prices (expressed as a percentage of the principal amount redeemed) plus accrued interest to the date fixed for redemption:

<u>Redemption Period</u> <u>(Dates Inclusive)</u>	<u>Redemption Price</u>
September 1, 1999 to February 28, 2000	101 %
March 1, 2000 and thereafter	100 %

(2) The Series 1999 Bonds are subject to redemption as a whole on any date, at and for a redemption price, with respect to each such Series 1999 Bond, equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, but only in the event of the taking by eminent domain of title to all or substantially all the Project or the exercise by the Trust of its option under the Lease to purchase the Project, which option shall be exercisable only if (a) the Project is damaged or destroyed to such extent that, in the opinion of the Trust and of an independent architect, it cannot be reasonably restored within a period of twelve (12) consecutive months or the Trust will thereby be prevented, or is likely to be prevented, from using the Project for its purposes for a period of not less than twelve (12) consecutive months or the cost of restoration thereof would exceed the net insurance proceeds referable to such damage or destruction, or (b) the temporary use of all or part of the Project or title to less than all or less than substantially all the Project is taken by eminent domain to such extent that, in the opinion of the Trust and of an independent architect, the Trust will thereby be prevented, or is likely to be prevented, from using the Project for its purposes for a period of not less than twelve (12) consecutive months, or (c) as a result of any changes in the Constitution of the United States of America or the Constitution of Alabama or of legislative or administrative action (whether state or federal) or by final decree or judgment or order of any court or administrative body (whether state or federal), entered after the contest

thereof by the Trust in good faith, the Lease becomes void or unenforceable or impossible of performance in accordance with the intent and purposes of the parties thereto as expressed therein or unreasonable burdens or excessive liabilities are imposed on the Authority or the Trust.

In the event that less than all of the Series 1999 Bonds of a particular maturity are to be redeemed and prepaid, the Trustee shall select by lot the Series 1999 Bonds (or portions of the principal thereof) of such maturity to be redeemed and prepaid. The Indenture requires that written notice of the call for redemption of this bond (or portion of the principal hereof) be forwarded by United States certified mail to the registered holder of this bond, not less than thirty (30) or more than sixty (60) days prior to the date fixed for redemption. In the event that less than all the outstanding principal of this bond is to be redeemed, the registered holder hereof shall surrender this bond to the Trustee in exchange for a new Series 1999 Bond of like tenor herewith except in a principal amount equal to the unredeemed portion of this bond. Upon the giving of notice of redemption in accordance with the provisions of the Indenture, the Series 1999 Bonds (or principal portions thereof) so called for redemption and prepayment shall become due and payable on the date and at the place specified in such notice, anything herein or in the Indenture to the contrary notwithstanding, and the holders thereof shall then and there surrender them for prepayment, and all future interest on the Series 1999 Bonds (or principal portions thereof) so called for redemption shall cease to accrue after the date specified in such notice, whether or not such Series 1999 Bonds are so presented.

The Authority 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 1998 Bonds (and prior to the Series 1999 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 equipping of the Project, (ii) refunding and retiring all or any portion of any one or more series of bonds then outstanding under the Indenture and (iii) a combination of the foregoing purposes (the Series 1998 Bonds and all such additional parity bonds being herein together called the "Prior Bonds").

The principal of and the interest and premium (if any) on the Prior Bonds and the Series 1999 Bonds (herein together called the "Bonds") are payable solely from the revenues and receipts to be derived from the leasing of the Project and certain other moneys pledged under the Indenture. The payment of the principal of and the interest and premium (if any) on the Prior Bonds is secured, pro rata and without preference or priority of one Prior Bond over another or of the Prior Bonds of any one series over the Prior 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" and any "Supplemental Basic Rent" payable to the Authority by the Trust under the Lease) by the Indenture, which constitutes a nonforeclosable lien on the Project, and by an assignment to the 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 such pledge, lien and assignment are all subject to the prior rights of the holders of the Prior Bonds under the Indenture. Reference is hereby made to the Lease, the First Supplemental Lease, the Indenture and the First Supplemental Indenture 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 Trustee with respect thereto, the rights of the holders of the Prior Bonds and the Series 1999 Bonds, the terms and conditions on which the Indenture and the Lease may be amended, and the terms and conditions on which additional series of Prior 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 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 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 (subject, however, to the prior rights of the Prior 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 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 Trustee is required to set aside and hold, subject to any applicable escheat or other similar law, for the benefit of such holder.

The Authority is a public corporation organized under the provisions of Chapter 18 of Title 16 of the Code of Alabama 1975, and the Series 1999 Bonds have been issued pursuant to the provisions of said chapter of said title for purposes for which bonds may be issued thereunder. The covenants and representations contained herein or in the Indenture are and shall be solely and exclusively obligations of the Authority and do not and shall never constitute obligations or debts of any county or municipality in the State of Alabama, nor shall any such county or municipality in said State in any manner be liable for payment of the principal of or the interest on the Series 1999 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 Alabama to exist, be performed and happen precedent to or in the issuance of this bond exist, have been performed and have happened in due and legal form.

The Series 1999 Bonds are issuable only as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof. Provision is made in the Indenture for the exchange of the Series 1999 Bonds for a like aggregate principal amount of Series 1999 Bonds of the same maturity and in authorized denominations, all upon the terms and subject to the conditions set forth in the Indenture.

This bond is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the Trustee and only upon surrender of this bond to the Trustee for cancellation, and upon any such transfer a new Series 1999 Bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Indenture. Each holder, by receiving or accepting this bond, shall consent and agree and shall be estopped to deny that, insofar as the Authority and the Trustee are concerned, this bond may be transferred only in accordance with the provisions of the Indenture.

The Trustee shall not be required to transfer or exchange this bond during the period that commences with the close of business on the fifteenth (15th) day of the calendar month next preceding any interest payment date, and that continues until the opening of business on such interest payment date. In the event that this bond (or any principal portion hereof) is duly called for redemption and prepayment, the Trustee shall not be required to transfer or exchange this bond during the period of forty-five (45) days next preceding the date fixed for such redemption and prepayment.

The interest payable on this bond on each interest payment date shall be remitted by the Trustee by check or draft mailed or otherwise delivered to the registered holder hereof at the address shown on the registry books of the Trustee as of the fifteenth day of the month immediately preceding such interest payment date. Any such payment 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 Indenture provides that all payments by the Authority or the Trustee to the person in whose name a Series 1999 Bond is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Any transferee of this bond takes it subject to all payments of principal and interest in fact made with respect hereto.

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

IN WITNESS WHEREOF, the Authority has caused this bond to be executed in its name and behalf with the facsimile signature of its Chairman, has caused a facsimile of its corporate seal to be hereunto imprinted, has caused the signature of the aforesaid Chairman to be attested by its Secretary, who has caused a facsimile of his signature to be imprinted hereon.

THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO

By _____
Its Chairman

ATTEST:

Its Secretary

[S E A L]

(Form of Trustee's Authentication Certificate)

DATE OF AUTHENTICATION: _____

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

REGIONS BANK,
Birmingham, Alabama,
Trustee

By _____
Its Authorized Officer

Signature guaranteed:

(Bank, Trust Company or Firm*)

By _____
(Authorized Officer)

Medallion Number: _____

*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 3.7 Execution and Delivery of the Series 1999 Bonds. The Series 1999 Bonds shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the Authority by the Chairman or the Vice Chairman of the Authority requesting such authentication and delivery and designating the Person or Persons to receive the same or any part thereof.

Section 3.8 Application of Proceeds from Sale of Series 1999 Bonds. The proceeds derived from the sale of the Series 1999 Bonds shall be applied for the following purposes only and in the following order:

- (a) payment into the Bond Fund of that portion of the proceeds derived from the sale of the Series 1999 Bonds that is allocable to premium (if any) and accrued interest; and
- (b) payment of the balance of said proceeds into the Construction Fund.

ARTICLE IV

MISCELLANEOUS

Section 4.1 Concerning the Construction Fund. As provided in Section 3.8 of this First Supplemental Indenture, there shall be deposited in the Construction Fund created under Section 9.2 of the Indenture all proceeds derived from the sale of the Series 1999 Bonds in

addition to all proceeds of the Series 1998 Bonds theretofore deposited therein. Anything contained herein or in the Indenture to the contrary notwithstanding, all provisions of Article IX of the Indenture, with necessary changes in detail, shall be deemed to apply to the disposition of the proceeds of the Series 1999 Bonds so deposited in the Construction Fund.

Section 4.2 Confirmation of Indenture. All the terms, covenants and conditions of the Indenture, as supplemented by this First Supplemental Indenture, are hereby in all things confirmed, and they shall remain in full force and effect. Further, the Authority does hereby confirm the lien of the Indenture on all properties now or hereafter constituting a part of the Project, including specifically, without limiting the generality of the foregoing, all properties acquired as a part of the Project since the execution and delivery of the Indenture. Any reference in the Indenture to the Lease shall, unless the context clearly and unequivocally indicates otherwise, henceforth be construed to refer to the Lease as supplemented by the First Supplemental Lease.

Section 4.3 Further Assurances. The Authority will take all actions that at the time and from time to time may be necessary (or, in the opinion of the Trustee, may be necessary) to perfect, preserve, protect and secure the interests of the Authority and the Trustee, or either, in and to the Project (or any part thereof), including, without limiting the generality of the foregoing, the filing of all financing and continuation statements that may at the time be required under the Alabama Uniform Commercial Code.

Section 4.4 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 First Supplemental Indenture to be executed in its corporate name and behalf by the Chairman of its Board of Directors, has caused its corporate seal to be hereunto affixed and has caused this First Supplemental Indenture to be attested by its Secretary and the Trustee has caused this First Supplemental Indenture to be executed in its corporate name and behalf, has caused its corporate seal to be hereunto affixed and has caused this First Supplemental Indenture to be attested, by its duly authorized officers, all in six (6) counterparts, each of which shall be deemed an original, and the Authority and the Trustee have caused this First Supplemental Indenture to be dated as of March 1, 1999, although actually delivered on March __, 1999.

THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO


By 
Chairman of its Board of Directors

ATTEST:



Its Secretary

[S E A L]

REGIONS BANK, as Trustee under the Mortgage
and Trust Indenture of The American Village Public
Educational Building Authority of the City of
Montevallo dated as of June 1, 1998

By 
Its SENIOR VICE PRESIDENT
CORPORATE TRUST MANAGER

ATTEST:


Its ASSISTANT SECRETARY

[S E A L]

STATE OF ALABAMA)
 :
SHELBY COUNTY)

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that BILL E. FANCHER, whose name as Chairman of the Board of Directors of THE AMERICAN VILLAGE PUBLIC EDUCATIONAL BUILDING AUTHORITY OF THE CITY OF MONTEVALLO, a public corporation and instrumentality under the laws of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instruments, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

GIVEN under my hand and official seal of office, this 22 day of March, 1999.

[NOTARIAL SEAL]

E. Scott 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 ROY D. BIRDWELL, whose name as ~~CORPORATE TRUST MANAGER~~ ^{SENIOR VICE PRESIDENT} of REGIONS BANK, an Alabama banking corporation acting in its capacity as Trustee under the Mortgage and Trust Indenture of The American Village Public Educational Building Authority of the City of Montevallo dated as of June 1, 1998, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instruments, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation in its capacity as Trustee as aforesaid.

GIVEN under my hand and official seal of office, this 24th day of March, 1999.

[NOTARIAL SEAL]

John Jordan
Notary Public

My Commission Expires: 3-7-2002