
MORTGAGE AND TRUST INDENTURE

between

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

and

REGIONS BANK

Dated as of July 1, 2012

Relating to

\$17,745,000

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

**Revenue Refunding Bonds
(The Alabama Veterans Living Legacy Project)
\$5,185,000 - Series 2012-A
\$3,350,000 - Series 2012-B
\$230,000 - Series 2012-C**

**Revenue Bonds
(The Alabama Veterans Living Legacy Project)
\$8,980,000 - Series 2012-D**



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and
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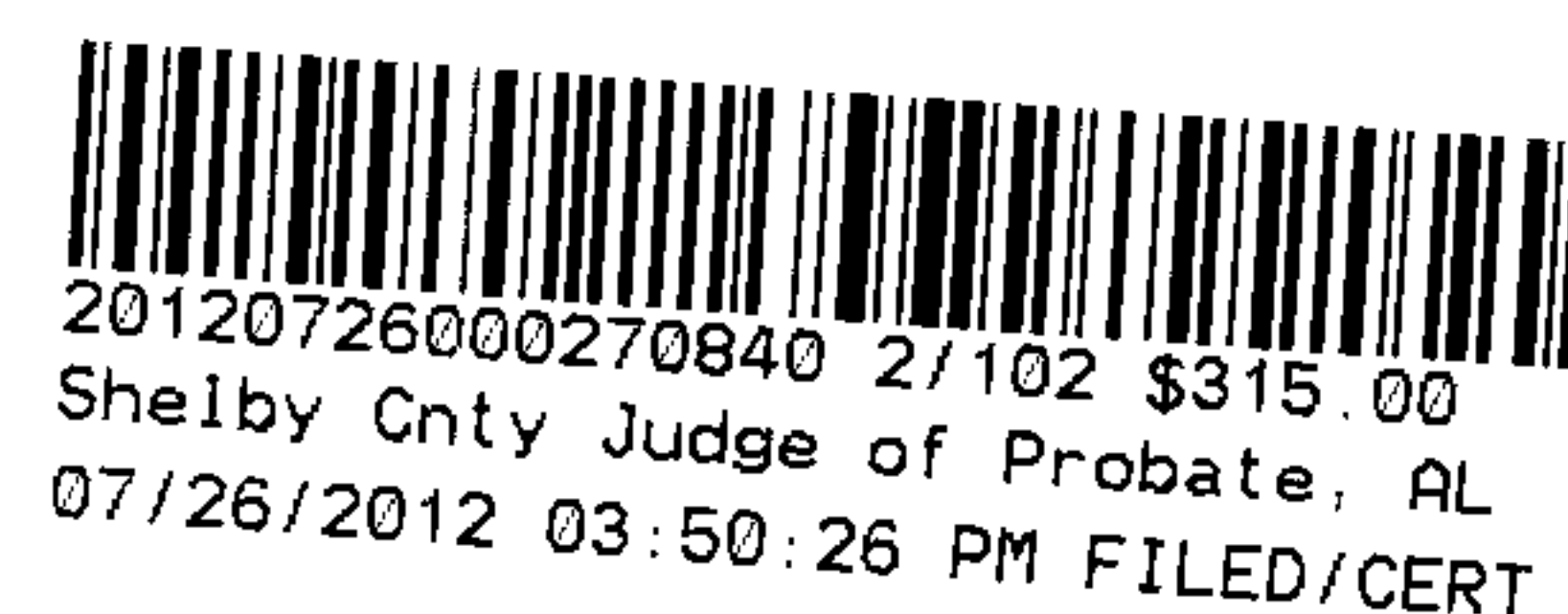
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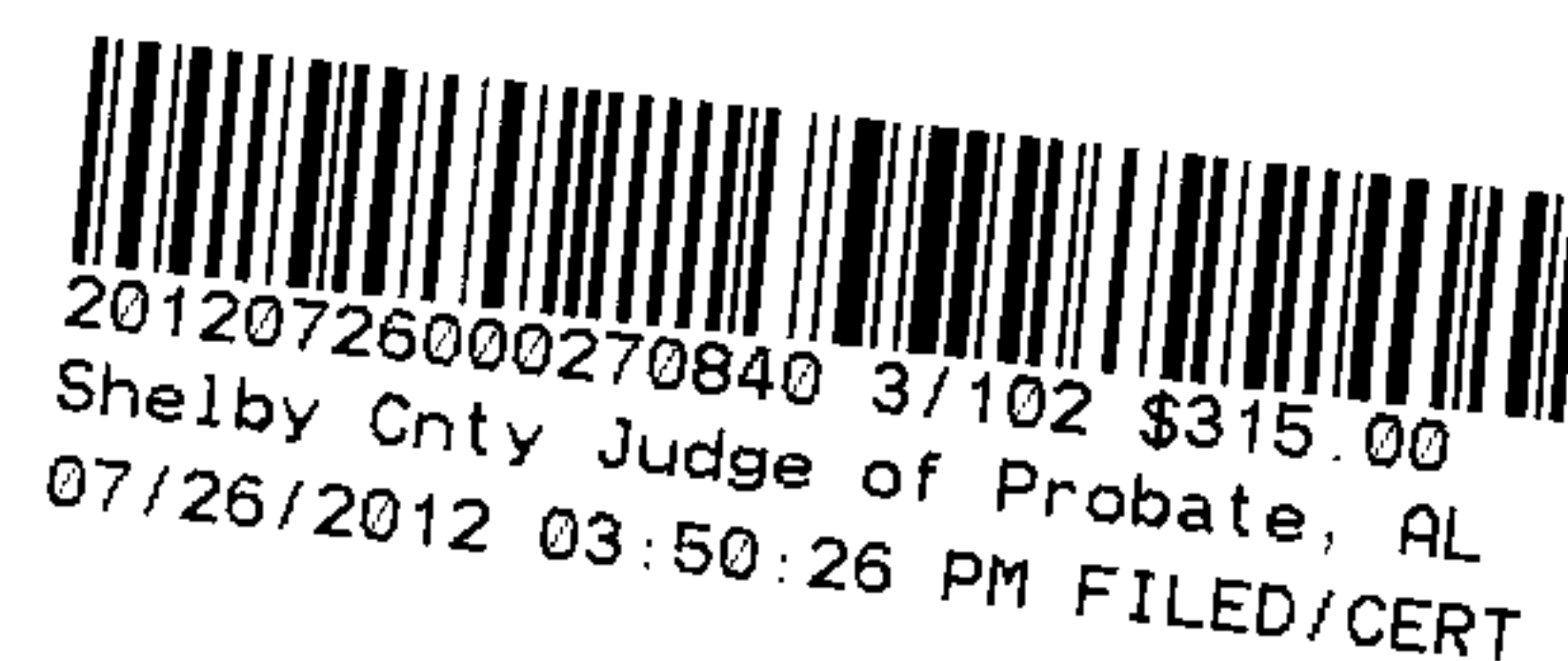
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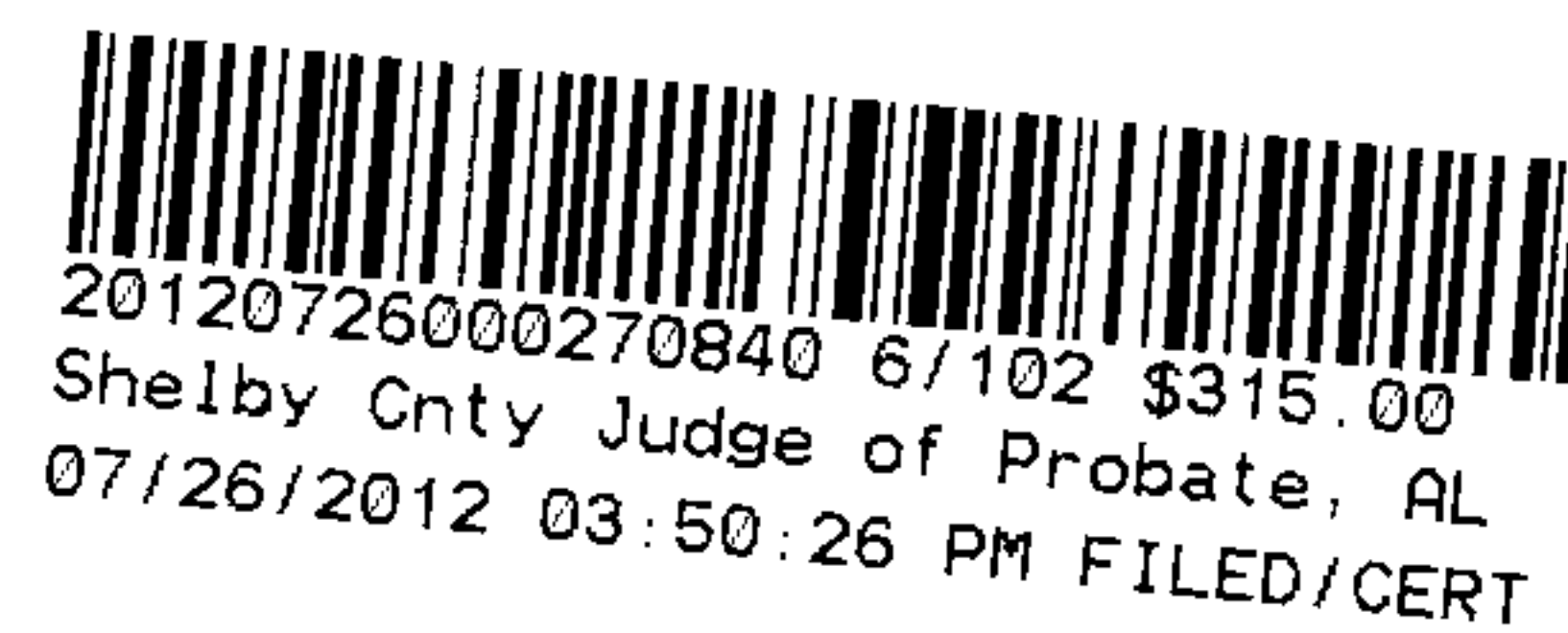
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MORTGAGE AND TRUST INDENTURE between **THE AMERICAN VILLAGE PUBLIC EDUCATIONAL BUILDING AUTHORITY OF THE CITY OF MONTEVALLO**, a public corporation under the laws of the State of Alabama, party of the first part, and **REGIONS BANK**, an Alabama banking corporation having a corporate trust office in the City of Birmingham, Alabama, party of the second part,

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 duly incorporated under the laws of Alabama by Certificate of Incorporation duly filed for record in the office of the Judge of Probate of Shelby County, Alabama; its Certificate of Incorporation has not been amended or revoked; by proper corporate action it has duly authorized the issuance of the Series 2012 Bonds hereinafter referred to; and to secure payment of the principal of and the interest and premium (if any) on all the bonds that shall be issued hereunder, it has by proper official action duly authorized the execution and delivery of this Indenture.

NOW, THEREFORE, THIS 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 and the holders of all the Bonds issued hereunder (the holders of said Bonds evidencing their consent hereto by their acceptance of the said Bonds 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 Code of Alabama of 1975, Title 16, Chapter 18, as the same shall be hereafter amended and supplemented and at the time in force and effect.

“Additional Bonds” means the bonds of the Authority authorized in Article VIII hereof to be issued hereunder and secured hereby on a parity of lien and pledge with the Series 2012 Bonds.

“Affected Series” or **“Bonds of an Affected Series”** means, when used with respect to one or more Bonds of any series of the Series 2012 Bonds, a series as to which an Event of Taxability shall have occurred.

“Authority” means the party of the first part hereto and, subject to the provisions of Section 11.6 hereof, includes its successors and assigns and any public corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

“Authorized Authority Representative” means the person or persons at the time designated as such by written certificate furnished to the Trust and the Trustee, containing the specimen signature or signatures of such person or persons and signed on behalf of the Authority by its Chairman or Vice Chairman.

“Authorized Trust Representative” means the person or persons at the time designated as such by written certificate furnished to the Authority and the Trustee, containing the specimen signature or signatures of such persons or persons and signed on behalf of the Trust by the Chair or any Vice Chair thereof.

“Basic Rent” means (i) the moneys payable by the Trust pursuant to the provisions of Section 5.2 of the Lease, (ii) any other moneys payable by the Trust pursuant to the Lease to provide for the payment of the principal of and the interest and premium (if any) on the Series 2012 Bonds (other than the aforesaid moneys payable pursuant to Section 5.2 of the Lease), and (iii) any other moneys payable by the Trust pursuant to the Lease that are therein referred to as Basic Rent.

“Bond Counsel” means Independent Counsel whose opinions respecting the legality or validity of securities issued by or on behalf of states or political subdivisions thereof are nationally recognized.

“Bond Fund” means the Citizenship Trust Bond Principal and Interest Fund created in Section 10.1 hereof, consisting of two accounts, namely, the Interest Account and the Principal Account.

“Bondholder” means the Holder of any Bond.

“Bond Payment Date” means each June 1 and December 1 commencing with December 1, 2012, on which any principal or interest with respect to the Series 2012 Bonds shall mature and be due and payable or on which any principal amount of the Series 2012 Bonds shall be required by the Indenture to be redeemed prior to the stated maturity thereof.

“Bonds” means all bonds of the Authority issued under this Indenture, i.e., the Series 2012 Bonds and all Additional Bonds.

“Bond Year” means the annual period beginning on each December 2 and ending on the next succeeding December 1.

“Bond Year Debt Service”, when used with reference to any Bond Year, means the sum of the principal of and the interest on the Bonds maturing during such Bond Year, provided that for purposes of this definition the principal amount of any of the Bonds required to be redeemed or prepaid during any Bond Year, pursuant to any sinking fund arrangement or schedule of mandatory redemptions or prepayments, shall be considered as maturing in the Bond Year during which such redemption or prepayment is required and not in the Bond Year in which occurs the stated maturity of such Bonds.

“Capital Improvement” means property of any kind which is acquired as an addition or improvement to the Project and the costs of which are properly chargeable to capital account under generally accepted accounting principles, including, but without limiting the generality of the foregoing, land, easements, leaseholds, other interests in real property, new buildings, additions and extensions to existing buildings, other improvements to real property, furniture, equipment and other personal property, replacement of real or personal property that has become obsolete, but excluding, however, any property already constituting part of the Project as the result of any portion of the costs thereof having been paid out of the proceeds of previously issued Bonds.

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

“Construction Documents” means the plans and specifications contracts with architects, engineers and contractors or construction managers for the design, construction and development of the Project Improvements, and performance and payment bonds with respect to the Project Improvement Work.

“Construction Fund” means the Citizenship Trust Construction Fund created in Section 9.2 hereof.

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

“County” means Shelby County, Alabama, a political subdivision of the State of Alabama, and includes its successors and assigns.

“Court Fee Net Revenues” means the revenues, net of any collection or other administrative expenses, allocated to the Trust from the additional court fees levied in criminal and traffic proceedings in the State of Alabama pursuant to Act No. 2009-768 of the Alabama Legislature (i.e., \$.50 per case beginning October 1, 2011).

“Debt Service Reserve Fund” means the Citizenship Trust Debt Service Reserve Fund created in Section 10.1 hereof.

“Determination of Taxability” means a determination made in accordance with the provisions of Section 5.5 of the Lease, that the interest payable on any Affected Series of the Series 2012 Bonds is not Tax-Exempt to the owner thereof.

“Directors” means the Board of Directors of the Authority.

“Direct Pledged Revenues” means (i) the Court Fee Net Revenues, (ii) the Driver License Net Revenues, (iii) the License Plate Net Revenues, and (iv) the Lodging Tax Net Revenues.

“Driver License Net Revenues” means the 50-cent fee on each driver license or non-license identification card issued by the Alabama Department of Public Safety, net of any collection or administrative expenses, that is levied pursuant to Act No. 2009-762 of the Alabama Legislature and is allocated to the Trust.

“Eligible Certificates” means certificates of deposit issued by any bank organized under the laws of the United States of America or any state thereof and whose deposits are insured by the Federal Deposit Insurance Corporation or any successor thereto, provided that the portion of any such certificate of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or any successor thereto shall be secured by deposit with a Federal Reserve Bank or with any national or state bank located within the State of Alabama of Federal Securities in an aggregate principal amount at least equal to the amount of such excess.

“Eligible Investments” means Eligible Certificates and Federal Securities and any other securities in which the Authority may legally invest its funds.

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

“Existing Project Equipment” means the portions of the Project Equipment located on the Project Site at the time of delivery of the Lease.

“Existing Project Facilities” means the buildings and other improvements located on the Project Site at the time of delivery of the Lease.

“Federal Securities” means (i) any debt securities that are direct obligations of the United States of America, (ii) any debt securities payment of the principal of and the interest on which is unconditionally guaranteed by the United States of America, and (iii) money market funds investing solely in debt securities described in clauses (i) and (ii) of this definition.

“Funding Memorandum” means the Funding Memorandum attached as Exhibit C to the Indenture.

“Holder” means the person in whose name any Bond is registered on the registry books of the Trustee pertaining to the Bonds.

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

“Indenture” means this Mortgage and Trust Indenture, as supplemented and amended by any Supplemental Indenture executed by the Authority and the Trustee in accordance with the applicable provisions of Article XV hereof.

“Indenture Funds” means the special trust funds created and maintained under the Indenture, namely the Bond Fund, the Construction Fund, the Debt Service Reserve Fund, the Redemption Fund, and the Revenue Fund.

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

“Independent Appraiser” means a Person not regularly employed or retained by the Authority or the Trust and regularly engaged in the business of appraising real or personal property (as appropriate to the property being appraised or valued) and otherwise competent to determine the value of the property in question.

“Independent Counsel”, when used to describe Counsel who is an individual attorney, means that he is not an officer or full-time employee of the Authority or the Trust and, when used to describe Counsel consisting of a firm of attorneys, means that none of the members of such firm is an officer or full-time employee of the Authority or the Trust.

“Independent Engineer” means an engineer or engineering firm licensed to engage in the independent practice of engineering under the laws of the State of Alabama and not regularly employed or retained by the Authority or the Trust.

“Lease” means that certain Lease Agreement dated as of July 1, 2012, between the Authority, as lessor, and the Trust, as lessee, as said Lease Agreement now exists and as it may from time to time be modified, supplemented or amended in accordance with the provisions of Article XV hereof.

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

“License Plate Net Revenues” means the revenues, net of any collection or administrative expenses, levied pursuant to Act No. 2008-554 of the Alabama Legislature and allocated to the Trust.

“Lodging Tax Net Revenues” means the revenues, net of any collection or administrative expenses, levied pursuant to Act No. 98-659 of the Alabama Legislature and allocated to the Trust.

“Maximum Annual Debt Service Requirement” means, as of the date of any determination thereof, the maximum Bond Year Debt Service with respect to all the Bonds then outstanding in the then current or any subsequent Bond Year.

“New Project Equipment” means the portion of the Project Equipment to be acquired and installed in the Project Facilities or elsewhere on the Project Site as part of the Project Improvement Work.

“New Project Facilities” means the new buildings and all related improvements which are now situated or may hereafter be constructed on the Project Site, as the said buildings and related improvements may at any time exist.

“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; (iii) liens for property taxes not delinquent or for taxes which are being contested in good faith and by appropriate proceedings; 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, government or governmental body, political subdivision or other legal entity as in the context may be possible or appropriate.

“Prime Rate” means at any time the rate of interest which has been most recently announced by the Trustee as its prime or base lending rate, it being understood that said prime rate is not necessarily the lowest rate of interest charged by the Trustee.

“Project” means the Refunding Project, 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 lien of the Indenture.

“Project Equipment” means (i) all items (whether or not fixtures) of equipment, furniture, furnishings or other personal property the costs of which, in whole or in part, have been paid by the Authority out of the proceeds of the sale of the Series 2012 Bonds or which were transferred to the Authority by the Trust simultaneously with the issuance of the Series 2012 Bonds, and (ii) all items (whether or not fixtures) of equipment, furniture, furnishings or other personal property that are acquired by the Authority in substitution for or replacement of items of furniture, furnishings or other personal property theretofore constituting part of the Project Equipment and that, under the provisions of the Lease and the Indenture, are to constitute part of the Project Equipment.

“Project Facilities” means the Existing Project Facilities and the New Project Facilities.

“Project Improvement Costs” means the following: (i) all costs and expenses incurred in connection with the planning, development and design of the construction of the New Project Facilities, including the costs of preliminary investigations, surveys, estimates and plans and specifications; (ii) all costs of acquiring, preparing and improving the Project Site; (iii) all costs and expenses of constructing the New Project Facilities, including the cost to the Trust 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 around the Project Facilities or elsewhere on the 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 Improvement 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 2012 Bonds, including (without limitation) all legal, accounting, financial, underwriting, printing, recording and filing fees and expenses and the initial charges of the Trustee for its fees and expenses; (vii) interest on moneys borrowed by the Trust to pay any Project Improvement Costs; (viii) all other costs which the Authority has heretofore paid, under the terms of any contract or contracts, in connection with the Project Improvement Work; and (ix) the reimbursement to the Trust of all amounts paid directly by the Trust in respect of any of the aforesaid costs and expenses and of all amounts advanced by the Trust to the Authority for the payment of such costs and expenses.

“Project Improvement Work” means (i) the acquisition of any additional portion of the Project Site, as well as the preparation and improvement thereof to the extent that the Trust deems necessary or desirable in connection with the construction of the New Project Facilities, (ii) the planning, design and construction of the New Project Facilities in accordance with the provisions of the Lease and (iii) the planning, design and acquisition of the New Project Equipment and the installation thereof in or around the New Project Facilities or elsewhere on the Project Site, all in accordance with the provisions of the Lease.

“Project Site” means (i) the parcels of land specifically described in Exhibit A attached hereto and made a part hereof (to the extent that such parcel is at the time subject to the lien hereof) and (ii) any other land that, at the time and under the terms of the Lease, constitutes a part of the Project Site.

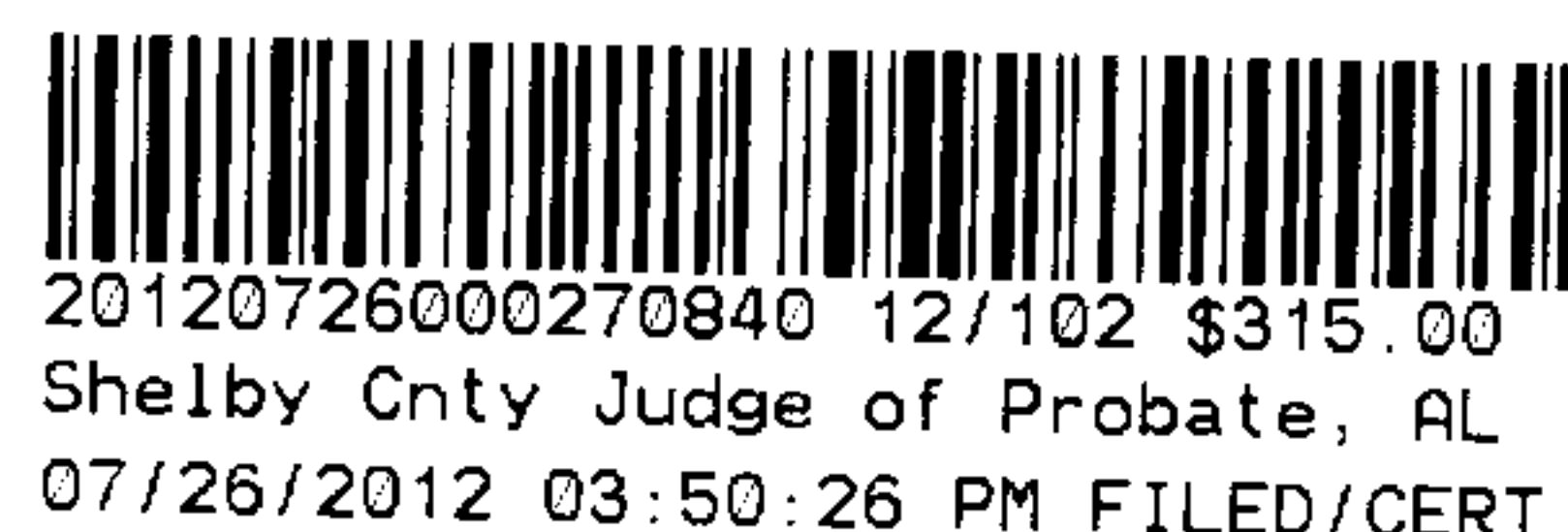
“Qualifying Project Improvement Costs” means Project Improvement Costs that are expended solely for the exempt purposes of the Trust within the meaning of Section 145 of the Code and the applicable regulations thereunder.

“Record Date” means the 15th day of the calendar month next preceding any Bond Payment Date.

“Redemption Fund” means the Citizenship Trust Bond Redemption Fund created in Section 10.1 hereof.

“Refunded Bonds” means (i) the Authority’s Revenue Bonds (The American Village Citizenship Trust), Series 2003-A, originally issued in the principal amount of \$6,100,000 and now outstanding in the aggregate principal amount of \$5,185,000 and (ii) the Authority’s Subordinated Revenue Bonds (The American Village Citizenship Trust Project), Series 2006A, originally issued in the principal amount of \$3,860,000 and now outstanding in the aggregate principal amount of \$3,820,000.

“Refunded Obligations” means the Refunded Bonds and those certain loans to the Trust from Regions Bank that are currently outstanding and payable in the amount of principal and interest specified in the Funding Memorandum.



“Representation Letter” means the blanket letter of representations to the Securities Depository from the Authority.

“Resolution” means a resolution duly adopted by the Directors.

“Revenue Fund” means the Citizenship Trust Revenue Fund created in Section 10.1 hereof.

“Securities Depository” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and the successors and assigns thereof, and any substitute securities depository therefor that maintains a book-entry system for the Bonds.

“Securities Depository Nominee” means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the bond register the Bonds to be delivered to such Securities Depository during a period in which the Bonds are held pursuant to the book-entry system.

“Series 2012 Bonds” means the Series 2012-A Bonds, the Series 2012-B Bonds, the Series 2012-C Bonds, and the Series 2012-D Bonds.

“Series 2012 Term Bonds” means (i) those of the Series 2012-A Bonds having stated maturities in 2029, (ii) those of the Series 2012-B Bonds having stated maturities in 2023, 2025, 2027 and 2032, and (iii) all maturities of the Series 2012-D Bonds.

“Series 2012-A Bonds” means the Authority’s \$5,185,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-A, dated the date of their issuance.

“Series 2012-B Bonds” means the Authority’s \$3,350,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-B, dated the date of their issuance.

“Series 2012-C Bonds” means the Authority’s \$230,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-C, dated the date of their issuance.

“Series 2012-D Bonds” means the Authority’s \$8,980,000 principal amount of Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2012-D, dated the date of their issuance.

“Supplemental Indenture” means an agreement supplemental hereto.

“Title Insurance Policy” means the title insurance policy issued pursuant to that certain Commitment for Title Insurance issued by Mississippi Valley Title Insurance Company and Old Republic National Title Insurance Company, Commitment No. V276599 and dated July 16, 2012, which insures the mortgage interest of the Trustee in the real property forming part of the Project, as said policy now exists and as it may from time to time be supplemented by endorsements thereto.

“Trust” means The Citizenship Trust, a nonprofit corporation organized and existing under the laws of the State of Alabama, and includes its successors and assigns, and any public or nonprofit corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

“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.

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 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 of Series 2012 Bonds, specified herein for any purpose, is to be figured on the principal amount thereof 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 Trustee of the trusts herein provided, the Authority does hereby grant, bargain, sell and convey, assign, transfer and pledge to and with the Trustee the following described properties of the Authority, whether the same are now owned by it or may be hereafter acquired:

I

The parcels of land specifically described in Exhibit A attached hereto and made a part hereof;

II

The Project Facilities and all other buildings, structures and other improvements now or hereafter situated on the Project Site (to the extent of the Authority’s interest therein), all permits, easements, licenses, rights-of-way, contracts, leases, privileges, immunities and hereditaments pertaining or applicable to the Project Site and all fixtures now or hereafter owned by the Authority and installed on the Project Site or in any of such buildings, structures and improvements now or hereafter located on the Project Site, it being the intention hereof that all property, rights and privileges hereafter acquired for use as a part of or in connection with or as an improvement to the Project Site (to the extent of the Authority’s interest therein) shall be as fully covered hereby as if such property, rights and privileges were now owned by the Authority and were specifically described herein;

III

All items (whether or not fixtures) of equipment, furniture, furnishings and other personal property that at any time, under the provisions of the Lease or of the Indenture, constitute the Project Equipment;

IV

The moneys required by the Lease or the Indenture to be deposited into 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 Improvement Costs in accordance with the provisions of the Lease and the Indenture;

V

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 Trust pursuant to Section 5.4 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 Indenture Funds other than the Construction Fund, and all other moneys from time to time held by the 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, but subject, however, to the uses thereof provided for in the Indenture;

VI

All right, title and interest of the Authority in and to the Lease [except (A) the right to require the Trust to pay certain expenses incurred by the Authority as provided in Sections 5.4 and 10.4 of the Lease, (B) the release and indemnification rights of the Authority contained in Section 8.3 of the Lease and (C) any other rights personal to the Authority which are expressly provided in the Lease to be exercised by the Authority], including the Direct Pledged Revenues pledged by the Trust therein, but not including, however, any of the obligations of the Authority thereunder; and

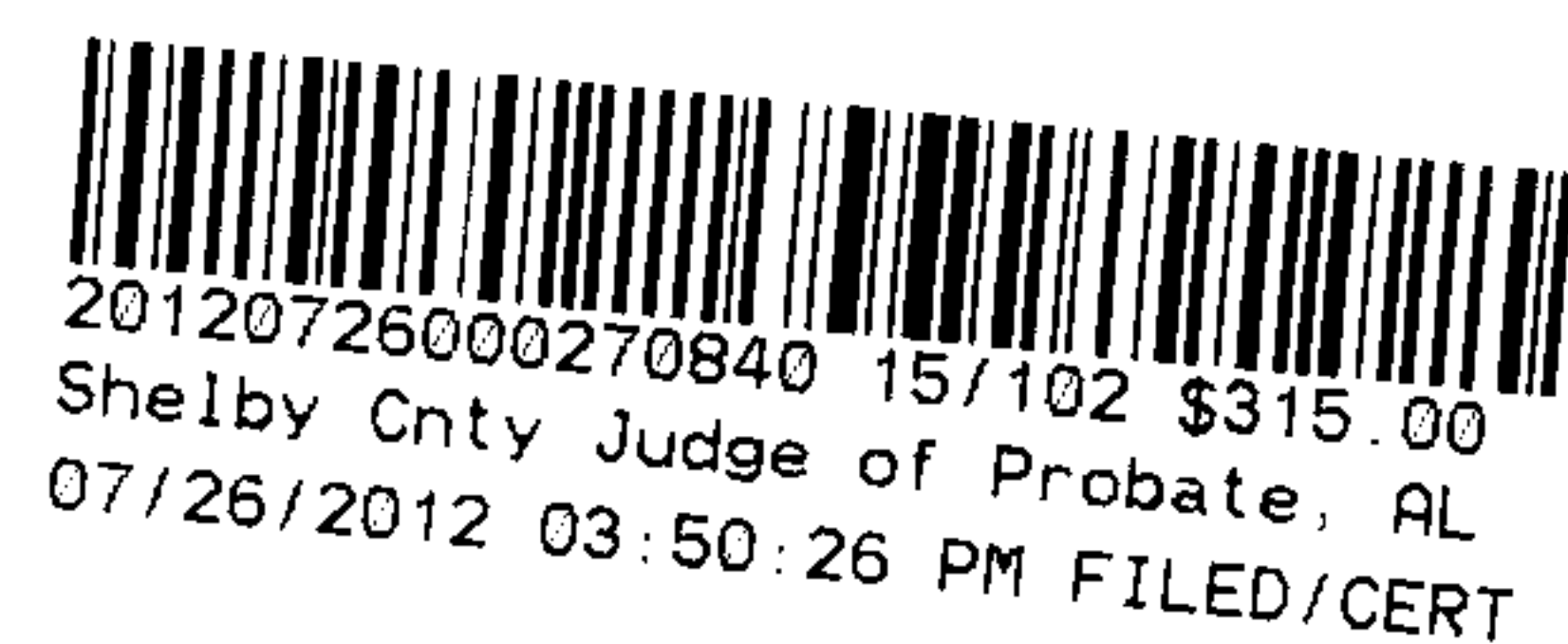
VII

Construction Documents, leases, franchise agreements, concession agreements, and other contracts and contract rights related to the acquisition, construction, equipping and operation of the Project.

VIII

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 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 Trustee as such additional security; and the Trustee is hereby authorized and directed 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 and of the Lease.

TO HAVE AND TO HOLD the same unto the Trustee, its successor trustees and assigns forever, subject to Permitted Encumbrances; IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth, for the equal and pro rata protection and benefit of the Holders, present and future, of the Bonds equally and ratably, without preference, priority or distinction of any over others, subject, however, to the right and duty of the 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;



PROVIDED, HOWEVER, that these presents are 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 mentioned in the Bonds, according to the true intent and meaning thereof, or shall provide for such payment as specified in Section 16.1 hereof, and shall pay or cause to be paid all other Indenture Indebtedness, 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.

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 shall be equally and ratably secured by the Indenture and by the pledge herein contained, 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. All the Bonds shall be issued in fully registered form, viz., registered as to both principal and interest on the registry books of the Trustee pertaining to the Bonds in the names of the respective Holders 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 5.3 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. The Bonds of each such series shall mature, and interest thereon shall be payable, on such date or dates as shall be specified in the Indenture or Supplemental Indenture under which such series is issued.

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 premium (if any) on the Bonds shall be paid at the designated corporate trust office of the Trustee. The interest on the Bonds shall be paid 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 Bonds.

Section 3.3 Home Office Payment Agreements. Any provision hereof to the contrary notwithstanding, the Trustee will, at the request of the Holder of any Bond issued in a principal amount of not less than \$100,000, 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 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 Trustee;


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(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 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 Trustee in writing of such sale, pledge, transfer or other disposition and deliver to the Trustee a certificate certifying to the 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 Trustee shall be released from liability with respect to such Bond and the Trust 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 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;

(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 Trust.

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 2012 Bonds and the authentication certificate applicable thereto shall be in substantially the forms respectively provided therefor in Section 7.7 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 each such series of Additional Bonds is issued.


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ARTICLE IV

EXECUTION, AUTHENTICATION AND REPLACEMENT OF THE BONDS

Section 4.1 Execution of Bonds. The Bonds shall be executed by the Chairman of the Authority, and the seal of the Authority shall be affixed thereto and attested by the Secretary of the Authority; provided that either the signature of the Chairman of the Authority or the signature of the Secretary of the Authority, or both of them, on the Bonds may be a facsimile of the signature of such officer; and provided further that a facsimile of the seal of the Authority may be imprinted thereon 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 of the Bonds.

Section 4.2 Authentication Certificate of Trustee. A duly executed authentication certificate by the Trustee in substantially the applicable form set forth in Section 7.7 hereof shall be manually endorsed on each of the Bonds and shall be essential to its validity. Such certificate shall be conclusive of the due issue of such Bond hereunder.

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 Trustee shall thereupon authenticate and deliver, a new Bond of like tenor as that mutilated, lost, stolen or destroyed, which such new Bond shall correspond in all respects to the Bond mutilated, lost, stolen or destroyed; provided that (i) in the case of any such mutilated Bond, such Bond is first surrendered to the Authority and the Trustee, and (ii) in the case of any such lost, stolen or destroyed Bond, there is first furnished to the Authority, the Trustee and the Trust evidence of such loss, theft or destruction satisfactory to the Trustee, together with indemnity satisfactory to each of them. The Authority may charge the Holder with the expense 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 Trustee may pay such Bond at or after the maturity thereof if the owner of such Bond satisfies the same terms and conditions as those provided in the preceding provisions of this section for the replacement thereof.

ARTICLE V

REGISTRATION, TRANSFERS AND EXCHANGES OF THE BONDS

Section 5.1 Registration and Transfer of Bonds. The Trustee shall be the registrar and transfer agent of the Authority and shall keep at its 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 Bonds shall be transferable only on the transfer books of the Trustee. No transfer of any Bond shall be valid hereunder unless such Bond is presented at the office of the Trustee with written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Trustee, whereupon the Authority shall execute, and the 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. The person in whose name any Bond is registered on the books of the 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.

Any Bond authenticated and delivered pursuant to the provisions of this section shall be dated as of the Bond Payment Date next preceding the date of its authentication by the Trustee, or if the date of such authentication be an Bond 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 Bond 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 Board is in default in payment of the interest on the Bonds, such Bond shall be dated as of the Bond 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.

The Trustee shall not be required to register or transfer any of the Bonds 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. The Trustee shall not be required to register or transfer any Bond 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.

Section 5.2 Persons Deemed Owners of the Bonds. The Authority, the Trustee and any institution at which the Bonds are or may be payable 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 any of them to the Person in whose name any Bond is registered, shall to the extent thereof fully discharge and satisfy all liability for the same.

Section 5.3 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 any Bond be issuable in exchange for any other Bond or Bonds unless the Bond or Bonds being so exchanged bear interest at the same rate and have the same stated maturity. Upon the request of a Holder of any Bond or Bonds aggregating not less than \$5,000 in face or principal amount, the Authority shall execute, and the Trustee shall thereupon authenticate and deliver, upon surrender to the Trustee of such Bond or Bonds and in exchange therefor, a Bond of like tenor as the Bond or Bonds so surrendered, aggregating the same principal amount as the Bond or Bonds so surrendered. Thereafter and upon the request of the Holder of one or more Bonds so authenticated and delivered, the Authority shall execute, and the Trustee shall thereupon authenticate and deliver, upon surrender to the Trustee of such Bond or Bonds and in exchange therefor, a Bond or Bonds of like tenor and aggregating the same principal amount as the then unpaid principal amount of the Bond or Bonds so surrendered, all as may be requested by the person surrendering such Bond or Bonds. Any Bond or Bonds surrendered for exchange pursuant to the provisions of this Section 5.3 shall be accompanied by a written power to transfer signed by the registered owner thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Trustee.

Any Bond authenticated and delivered pursuant to the provisions of this section shall be dated as of the Bond Payment Date next preceding the date of its authentication by the Trustee or, if the date of such authentication be an Bond 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 Bond Payment Date with respect to the Bond or

Bonds for which it is to be issued in exchange, such Bond shall be dated the date of the Bond or Bonds for which it is to be so issued in exchange; and provided further that if at the time of such authentication, the Board is in default in payment of the interest on the Bonds, such Bond shall be dated as of the Bond Payment Date to which interest on the Bonds has previously been paid. In any case, any Bond issued in exchange for other Bonds shall bear interest at the rate borne by the Bonds so surrendered for exchange and shall be dated so that no gain or loss of interest shall result from the exchange of any Bond for other Bonds.

The Trustee shall not be required to exchange any of the Bonds 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. The Trustee shall not be required to exchange any Bond 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.

Section 5.4 Expenses of Registration, Transfer and Exchange. The Authority and the Trustee may charge the Holder with their reasonable fees and expenses in connection with any transfer, registration or exchange of any of the Bonds, except that no charge shall be made for the issuance of a new Bond issued, pursuant to the provisions of Section 6.2 hereof, as a result of a call for partial redemption of a Bond. In every case involving any transfer, registration 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, registration or exchange.

Section 5.5 Accrual of Interest on Series 2012 Bonds. Any Series 2012 Bond issued prior to December 1, 2012, in exchange for Series 2012 Bonds initially delivered, shall bear interest from the date of its initial issuance, and any Bond issued on or after December 1, 2012, shall bear interest from the December 1 or June 1, as the case may be, next preceding the date of its issuance and delivery unless (i) such delivery date is a June 1 or December 1, in which case such Series 2012 Bond shall bear interest from the date of its issuance and delivery or (ii) at the time of such delivery the Authority is in default in the payment of interest on the Series 2012 Bond in lieu of which such new Series 2012 Bond is issued, in which event such new Series 2012 Bond shall bear interest from the last Bond Payment Date to which interest has previously been paid or made available for payment on the Series 2012 Bond in lieu of which such new Series 2012 Bond is issued. The preceding provision shall be construed to the end that the issuance of a Series 2012 Bond shall not effect any gain or loss in interest to the Holder thereof.

ARTICLE VI

GENERAL PROVISIONS RESPECTING REDEMPTION OF BONDS

Section 6.1 Manner of Effecting Redemption of Bonds. Any redemption of any Bonds 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 having specified maturities (and, in the event that a portion but less than all of the Bonds of any particular maturity are to be redeemed, the principal amount thereof to be redeemed); and (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; provided, however, that it shall not be necessary for the Directors to adopt any such Resolution (i) in the case of any redemption of Series 2012 Bonds pursuant to Section 7.4 hereof or (ii) in the case of any redemption of the 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 a Resolution is expressly stated to be unnecessary.

(b) Notice by First-Class Mail. The Trustee (on behalf of the Authority) shall cause to be forwarded by United States first class mail to the Holder thereof, at the address of such Holder as such address appears on the registry books of the Trustee pertaining to the registration of the Bonds, a notice stating the following: that Bonds bearing stated numbers and a stated series designation or designations (and, in the case that a portion but less than all of any Bond or Bonds are to be redeemed, the principal amount or amounts thereof to be redeemed) have been called for redemption and will become due and payable at the redemption price or prices on a specified redemption date, and that all interest thereon will cease after such redemption date. The notice provided for in this subsection (b) shall be mailed to all persons entitled to receive the same not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption. The Holder or Holders of any Bond or Bonds may waive the requirements of this subsection with respect to the Bond or Bonds held by them without affecting the validity of the call for redemption of any other Bonds.

(c) Deposit. Prior to the date fixed for redemption the Authority shall deposit or cause to be deposited with the Trustee the total redemption price of the Bonds (or portions thereof) so called for redemption and shall furnish or cause to be furnished to the Trustee the following: (1) 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 (2) in the case of the redemption of any Bonds on a date when such Bonds may be redeemed only with funds from a specified source or 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 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 Trustee (on behalf of the Authority) with the applicable 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 date fixed for redemption 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 redemption in part, 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 such 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, the Holder thereof shall surrender such Bond to the Trustee in exchange for one or more Bonds in authorized denominations or any authorized combination thereof, in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered, all as shall be requested by the Holder of such Bond so called for partial redemption. 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 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, be entitled to no security under the Indenture other than the moneys deposited with the Trustee under the provisions of this article; and out of the moneys so deposited with it, the 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 under the Indenture Bonds of two or more series then subject to redemption.

Section 6.4 Termination of Lease. In the event that the Lease terminates pursuant to Section 7.2(a) thereof, or in the event the Trust exercises the option to terminate the Lease granted in Section 11.1(a) thereof, or in the event that the Trust exercises the option to purchase the Project granted in Section 11.2 of the Lease, then, in any of such events, the Trustee (i) shall segregate and set aside in the Bond Fund [out of moneys therein, any moneys then on deposit in the Construction Fund and the Redemption Fund, any insurance proceeds or condemnation awards then held by the Trustee that are referable to the Project and that are available for the retirement of Bonds, and any moneys payable by the Trust pursuant to the provisions of Sections 7.2(a), 11.1(a) or 11.2 of the Lease, in the order named] moneys sufficient to retire the Bonds and pay all other Indenture Indebtedness as provided in Sections 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.

ARTICLE VII

THE SERIES 2012 BONDS

Section 7.1 Authorization and Description of the Series 2012 Bonds. Pursuant to the applicable provisions of Chapter 18 of Title 16 of the Code of Alabama 1975, and for the purposes of (i) refunding the Refunding Obligations, (ii) providing long-term financing for a portion of the costs of acquiring, constructing and installing the Project Improvements, and (ii) paying the costs of the issuance thereof, there are hereby authorized to be issued by the Authority (A) \$5,185,000 in principal amount of its Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-A, (B) \$3,350,000 in principal amount of its Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-B, (C) \$230,000 in principal amount of its Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-C, and \$8,980,000 in principal amount of its Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2012-D. The Series 2012 Bonds of each series shall be dated the date of their issuance, shall be numbered with their corresponding series designation (viz., A, B, C or D) and 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.


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The Series 2012-A Bonds shall mature and become payable on December 1 in the respective years and in the amounts set forth below and shall bear interest from their date payable on December 1, 2012, and on each June 1 and December 1 thereafter at the per annum rates set forth below:

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$150,000	2.000%	2021	\$305,000	2.625%
2014	260,000	2.000	2022	315,000	2.700
2015	265,000	2.000	2023	320,000	3.000
2016	270,000	2.000	2024	330,000	3.125
2017	275,000	2.000	2025	340,000	3.200
2018	285,000	2.000	2026	355,000	3.300
2019	290,000	3.000	2027	365,000	3.400
2020	295,000	3.000	2029	765,000	3.625

The Series 2012-B Bonds shall mature and become payable on December 1 in the respective years and the amounts set forth below and shall bear interest from their dates payable on December 1, 2012, and on each June 1 and December 1 thereafter at the per annum rates set forth below:

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2013	\$120,000	2.000%	2020	\$ 140,000	3.000%
2014	120,000	2.000	2021	145,000	2.625
2015	125,000	2.000	2023	300,000	2.900
2016	125,000	2.000	2025	315,000	3.125
2017	130,000	2.000	2027	335,000	3.375
2018	130,000	2.000	2032	1,235,000	5.000
2019	130,000	3.000			

The Series 2012-C Bonds shall mature and become payable on December 1 in the respective years and the amounts set forth below and shall bear interest from their dates payable on December 1, 2012, and on each June 1 and December 1 thereafter at the per annum rates set forth below:

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2012	\$125,000	2.000%
2013	105,000	2.000

The Series 2012-D Bonds shall mature and become payable on December 1 in the respective years and the amounts set forth below and shall bear interest from their dates payable on December 1, 2012, and on each June 1 and December 1 thereafter at the per annum rates set forth below:

<u>Maturity Date (December 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2032	\$ 940,000	5.000%
2037	3,610,000	4.100
2042	4,430,000	4.200

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The principal of and the interest on any Series 2012 Bond shall bear interest after their respective due dates until paid at the rate of interest borne by the principal of such Series 2012 Bond prior to maturity. The Series 2012 Bonds shall be initially issued and registered in the names of such Holders as shall be designated by the initial purchasers of the Series 2012 Bonds.

Section 7.2 Method of Payment of the Series 2012 Bonds. The payment provisions of this Section 7.2 shall apply at any time unless the book-entry system of the Securities Depository shall not be in effect. The principal of the Series 2012 Bonds shall be payable at the designated corporate trust office of the Trustee, upon presentation and surrender of the Series 2012 Bonds as the same become due and payable, whether at maturity or upon redemption prior to maturity (excluding the Series 2012-C Bonds, which will not be subject to optional redemption prior to maturity), except that in the case of any Series 2012 Bond originally issued in a principal amount of not less than \$100,000, the interest on the said Series 2012 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 2012 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 2012 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 May 15 and November 15 of each year as the record dates for the payment of interest due on the Series 2012 Bonds on the immediately succeeding June 1 and December 1, respectively; therefore, interest on the Series 2012 Bonds shall be payable on each June 1 and December 1 to the Holders of record of the Series 2012 Bonds as of the immediately preceding record date.

Section 7.3 Optional Redemption of the Series 2012 Bonds. Those of the Series 2012-A Bonds, Series 2012-B Bonds and Series 2012-D Bonds having stated maturities after December 1, 2018, will be subject to redemption and prepayment prior to their stated maturities, 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 December 1, 2018, and on any date thereafter, at and for a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption. The Series 2012-A Bonds, the Series 2012-B Bonds, and Series 2012-D 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 2012-A Bonds, the Series 2012-B Bonds, and Series 2012-D Bonds of a particular maturity are redeemed and prepaid pursuant to this Section 7.3, the Trustee shall select by lot the Series 2012-A Bonds, the Series 2012-B Bonds, and Series 2012-D Bonds (or portions of the principal thereof) of such maturity to be redeemed and prepaid. The redemption of Series 2012-A Bonds, the Series 2012-B Bonds, and Series 2012-D Bonds pursuant to this section shall comply with the applicable provisions of Article VI hereof, including the giving of such notice to the Holders of Series 2012-A Bonds, the Series 2012-B Bonds, and Series 2012-D Bonds called for redemption as may be required by Section 6.1(b) hereof.

The Series 2012-C Bonds shall not be subject to optional redemption prior to their maturities.

Section 7.4 Scheduled Mandatory Redemption of Series 2012 Bonds. Series 2012-A Bonds. Those of the Series 2012-A Bonds having a stated maturity on December 1, 2029, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on December 1, 2028 in the principal amount of \$375,000.

Series 2012-A Bonds in the aggregate principal amount of \$390,000 will be scheduled to remain to be paid at their maturity on December 1, 2029. The Series 2012-A Bonds (or principal portions thereof) to be redeemed on December 1, 2028 shall be selected by the Trustee by lot.

The principal amount of Series 2012-A Bonds subject to scheduled mandatory redemption on December 1, 2028 shall be reduced by the principal amount of Series 2012-A Bonds which, prior to October 15, 2028, shall have been delivered to the Trustee for cancellation and retirement and which shall not have theretofore been credited against any principal amount of Series 2012-A Bonds subject to scheduled mandatory redemption.

Series 2012-B Bonds. Those of the Series 2012-B Bonds having a stated maturity on December 1, 2023, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on December 1, 2022 in the principal amount of \$145,000.

Series 2012-B Bonds in the aggregate principal amount of \$155,000 will be scheduled to remain to be paid at their maturity on December 1, 2023. The Series 2012-B Bonds (or principal portions thereof) to be redeemed on December 1, 2022 shall be selected by the Trustee by lot.

Those of the Series 2012-B Bonds having a stated maturity on December 1, 2025, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on December 1, 2024 in the principal amount of \$155,000.

Series 2012-B Bonds in the aggregate principal amount of \$160,000 will be scheduled to remain to be paid at their maturity on December 1, 2025. The Series 2012-B Bonds (or principal portions thereof) to be redeemed on December 1, 2024 shall be selected by the Trustee by lot.

Those of the Series 2012-B Bonds having a stated maturity on December 1, 2027, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on December 1, 2026 in the principal amount of \$165,000.

Series 2012-B Bonds in the aggregate principal amount of \$170,000 will be scheduled to remain to be paid at their maturity on December 1, 2027. The Series 2012-B Bonds (or principal portions thereof) to be redeemed on December 1, 2026 shall be selected by the Trustee by lot.

Those of the Series 2012-B Bonds having a stated maturity on December 1, 2032, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on the following redemption dates in the following respective principal amounts:

<u>Redemption Date</u>	<u>Principal Amount</u>
December 1, 2028	\$175,000
December 1, 2029	185,000
December 1, 2030	195,000
December 1, 2031	205,000

Series 2012-B Bonds in the aggregate principal amount of \$475,000 will be scheduled to remain to be paid at their maturity on December 1, 2032. The Series 2012-B Bonds (or principal portions thereof) to be redeemed on each of the aforesaid dates shall be selected by the Trustee by lot.

The principal amount of Series 2012-B Bonds subject to scheduled mandatory redemption on any December 1 shall be reduced by the principal amount of Series 2012-B Bonds which, prior to October 15 of the year in which such redemption is to be effected, shall have been delivered to the Trustee for cancellation and retirement and which shall not have theretofore been credited against any principal amount of Series 2012-B Bonds subject to scheduled mandatory redemption.

Series 2012-D Bonds. Those of the Series 2012-D Bonds having a stated maturity on December 1, 2032, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on the following redemption dates in the following respective principal amounts:

<u>Redemption Date</u>	<u>Principal Amount</u>
December 1, 2030	\$380,000
December 1, 2031	400,000

Series 2012-D Bonds in the aggregate principal amount of \$160,000 will be scheduled to remain to be paid at their maturity on December 1, 2032. The Series 2012-D Bonds (or principal portions thereof) to be redeemed on each of the aforesaid dates shall be selected by the Trustee by lot.

Those of the Series 2012-D Bonds having a stated maturity on December 1, 2037, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on the following redemption dates in the following respective principal amounts:

<u>Redemption Date</u>	<u>Principal Amount</u>
December 1, 2033	\$665,000
December 1, 2034	695,000
December 1, 2035	720,000
December 1, 2036	750,000

Series 2012-D Bonds in the aggregate principal amount of \$780,000 will be scheduled to remain to be paid at their maturity on December 1, 2037. The Series 2012-D Bonds (or principal portions thereof) to be redeemed on each of the aforesaid dates shall be selected by the Trustee by lot.

Those of the Series 2012-D Bonds having a stated maturity on December 1, 2042, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on the following redemption dates in the following respective principal amounts:

<u>Redemption Date</u>	<u>Principal Amount</u>
December 1, 2038	\$815,000
December 1, 2039	850,000
December 1, 2040	885,000
December 1, 2041	920,000

Series 2012-D Bonds in the aggregate principal amount of \$960,000 will be scheduled to remain to be paid at their maturity on December 1, 2042. The Series 2012-D Bonds (or principal portions thereof) to be redeemed on each of the aforesaid dates shall be selected by the Trustee by lot.

The principal amount of Series 2012-D Bonds subject to scheduled mandatory redemption on any December 1 shall be reduced by the principal amount of Series 2012-D Bonds which, prior to October 15 of the year in which such redemption is to be effected, shall have been delivered to the Trustee for cancellation and retirement and which shall not have theretofore been credited against any principal amount of Series 2012-D Bonds subject to scheduled mandatory redemption.

The mandatory redemption of Series 2012 Bonds pursuant to the provisions of this section shall be effected in the manner provided in Article VI hereof.

Section 7.5 Extraordinary Redemption of the Series 2012 Bonds. The Series 2012 Bonds shall be subject to mandatory redemption and payment as a whole on any date at and for a redemption price, with respect to each Series 2012 Bond (or, in the case of a Determination of Taxability, each Bond of the Affected Series of the Series 2012 Bonds), 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 7.2(a) of the Lease, (ii) the exercise by the Trust of its option under Section 11.2 of the Lease to purchase the Project or (iii) a Determination of Taxability. In case all the Series 2012 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 7.2(a) thereof. In case all the Series 2012 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. In case all the Series 2012 Bonds of an Affected Series are required to be redeemed pursuant to clause (iii) of the first sentence of this paragraph, the date fixed for such redemption shall be the date, not later than ninety (90) days after the date of the Determination of Taxability, specified by the Trust in the related notice delivered to the Authority and the Trustee pursuant to Section 5.6 of the Lease.

Section 7.6 Special Provisions Respecting Partial Redemption of Series 2012 Bonds; Purchase of Series 2012 Bonds for Retirement. (a) The principal of any Series 2012 Bonds shall be redeemed only in the amount of \$5,000 or any integral multiple thereof. If less than all the Series 2012 Bonds are to be called for redemption on any single redemption date, the Trustee shall select by lot the principal amount of the Series 2012 Bonds to be so called for redemption, whereupon there shall be called for redemption an amount of the unpaid principal of each Series 2012 Bond equal to the principal amount so selected.

(b) The Authority may at any time and from time to time purchase Series 2012 Bonds for retirement using funds from any source (subject to the limitations contained in Sections 10.3 and 10.5 hereof). Any Series 2012 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 2012 Bonds shall be cancelled by the Trustee. The principal amount of any Series 2012 Term Bonds that are so purchased by the Authority and cancelled by the Trustee shall be credited against the aggregate principal amount of Series 2012 Term Bonds of the same series and having the same stated maturity that are required to be redeemed pursuant to the provisions of Section 7.4 hereof on the December 1 next succeeding the date on which such purchased Series 2012 Term Bonds shall be

delivered to the Trustee, and the effect of such credit shall be to reduce by the principal amount thereof the aggregate principal amount of Series 2012 Term Bonds of the same maturity required to be redeemed on such December 1; provided, however, that no credit in respect of the redemption of Series 2012 Bonds required on any December 1 shall be allowed for any Series 2012 Term Bonds and delivered to the Trustee for cancellation unless the same shall be delivered to the Trustee prior to October 15 of the year in which such redemption is to be effected. Any credit for Series 2012 Term Bonds in excess of that allowed for the December 1 next succeeding the date on which they were delivered to the Trustee for cancellation shall be applied until exhausted against next succeeding mandatory redemptions of Series 2012 Term Bonds of the same series and having the same maturity.

Section 7.7 Form of Series 2012 Bonds. (a) Series 2012-A Bonds. The Series 2012-A Bonds and the registration certificate and assignment 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 2012-A Bond]

No. A-__

\$ _____

UNITED STATES OF AMERICA

STATE OF ALABAMA

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

Revenue Refunding Bonds
(The Alabama Veterans Living Legacy Project)
Series 2012-A

Dated Date

Interest Rate

Maturity Date

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"), will 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 the maturity date specified above 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 December 1, 2012, and semiannually thereafter on each June 1 and December 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 designated 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 \$5,185,000 and designated Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-A (herein called the "Series 2012-A Bonds"). The Series 2012-A Bonds have been issued under a Mortgage and Trust Indenture dated as of July 1, 2012 (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"). The Series 2012-A Bonds have been issued for the purpose of refunding certain bonds and other indebtedness heretofore issued and incurred 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") and for the purpose of financing the costs of certain improvements to 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 July 1, 2012 (herein called the "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 2012-A Bonds when due. Contemporaneously with the issuance of the Series 2012-A Bonds the Authority is issuing its \$3,350,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-B (herein called the "Series 2012-B Bonds), its \$230,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-C (herein called the "Series 2012-C Bonds), and its \$8,980,000 principal amount of Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2012-D (herein called the "Series 2012-D Bonds), under the Indenture on a parity of lien and pledge with the Series 2012-A Bonds. The Series 2012-A Bonds, the Series 2012-B Bonds, the Series 2012-C Bonds and the Series 2012-D Bonds are herein together called the "Series 2012 Bonds." As security for the payment by the Trust of rentals under the Lease, the Trust has pledged to the Authority certain fees, taxes and contractual contributions (herein called the "Direct Pledged Revenues") that are appropriated to the Trust.

THE INDENTURE CONTAINS NO PROVISIONS REQUIRING PUBLICATION OF NOTICE OF REDEMPTION OF ANY SERIES 2012-A BOND, AND EACH HOLDER OF ANY OF THE SERIES 2012-A 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 2012-A 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 2012-A Bonds are subject to redemption prior to their respective maturities as follows:

(1) The Series 2012-A Bonds having stated maturities after December 1, 2018, 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 December 1, 2018, and on any date thereafter, such redemption to be at and for a redemption price equal to the principal amount redeemed plus accrued interest to the date fixed for redemption.

(2) Those of the Series 2012-A Bonds having a stated maturity on December 1, 2029, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on December 1, 2028 in the principal amount of \$375,000. Series 2012-A Bonds in the aggregate principal amount of \$390,000 will be scheduled to remain to be paid at their maturity on December 1, 2029. The Series 2012-A Bonds (or principal portions thereof) to be redeemed on December 1, 2028 shall be selected by the Trustee by lot.

(3) The Series 2012-A Bonds are subject to redemption as a whole on any date, at and for a redemption price, with respect to each such Series 2012-A 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, or (d) in the event of a "Determination of Taxability," as defined in the Indenture with respect to the Series 2012-A Bonds.

In the event that less than all of the Series 2012-A Bonds of a particular maturity are to be redeemed and prepaid, the Trustee shall select by lot the Series 2012-A 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 first-class 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 2012-A 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 2012-A 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 2012-A 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 2012-A Bonds are so presented.

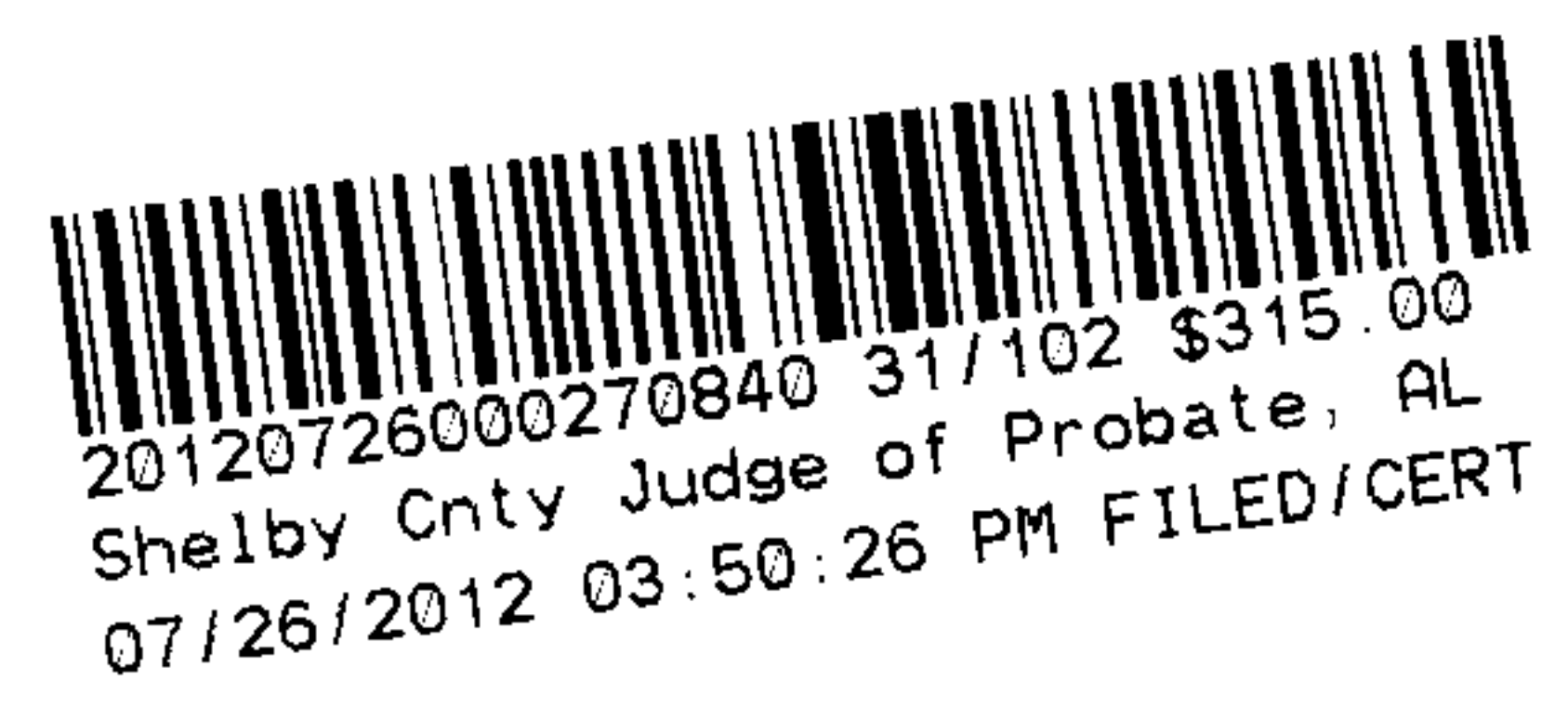
The Authority is authorized by the Indenture to issue thereunder, upon the terms and conditions therein specified, additional bonds that are secured on a parity with the Series 2012 Bonds as respects the security afforded by the Indenture. Such additional parity bonds may be issued, at any time and from 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 Improvements, (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 2012 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 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 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 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). Reference is hereby made to the Lease and the 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 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 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, 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 2012 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 2012 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 2012-A 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 2012-A Bonds for a like aggregate principal amount of Series 2012-A 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 2012-A 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 2012-A 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 manual or facsimile signature of its Chairman, has caused its corporate seal or a facsimile thereof to be hereunto impressed or imprinted, has caused the signature of the aforesaid Chairman to be attested by its Secretary, with his manual or facsimile signature.

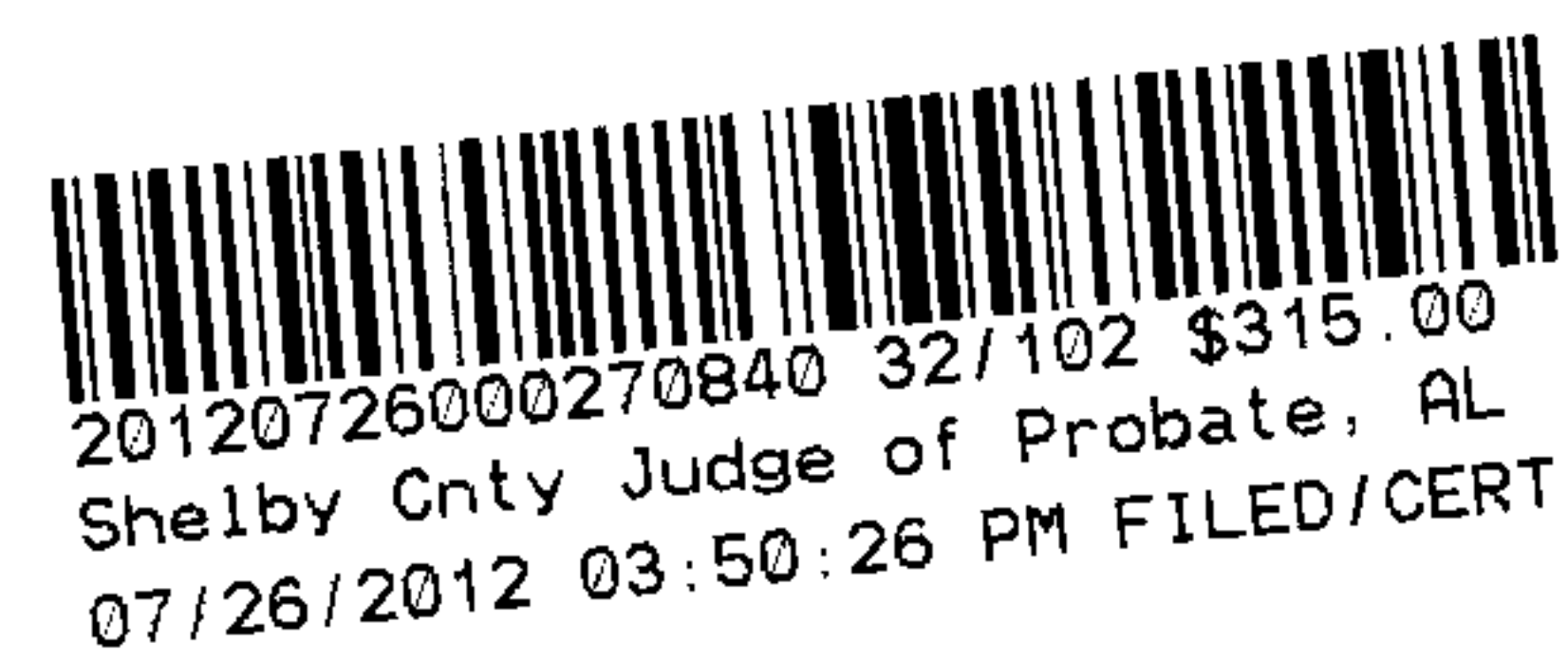
**THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO**

By: _____
Its Chairman

ATTEST:

Its Secretary

[S E A L]



(Form of Trustee's Authentication Certificate)

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

Dated: _____

REGIONS BANK,
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).

Notice by Securities Depository

Unless the within Bond is presented by an authorized representative of the Securities Depository (as defined in the Indenture referenced in the within Bond), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of the Securities Depository or the Securities Depository Nominee (as defined in the Indenture referenced in the within Bond), as the case may be, or in such other name as is requested by an authorized representative of the Securities Depository (and any payment is made to the Securities Depository or the Securities Depository Nominee or to such other entity as is requested by an authorized representative of the Securities Depository), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, the Securities Depository or Securities Depository Nominee, as the case may be, has an interest herein.

(b) Series 2012-B Bonds. The Series 2012-B Bonds and the registration certificate and assignment 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:


20120726000270840 33/102 \$315.00
Shelby Cnty Judge of Probate, AL
07/26/2012 03:50:26 PM FILED/CERT

[Form of Series 2012-B Bond]

20120726000270840 34/102 \$315.00
Shelby Cnty Judge of Probate, AL
07/26/2012 03:50:26 PM FILED/CERT

No. B-__

\$_____

UNITED STATES OF AMERICA

STATE OF ALABAMA

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

Revenue Refunding Bonds
(The Alabama Veterans Living Legacy Project)
Series 2012-B

Dated Date

Interest Rate

Maturity Date

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"), will 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 the maturity date specified above 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 December 1, 2012, and semiannually thereafter on each June 1 and December 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 designated 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 \$3,350,000 and designated Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-B (herein called the "Series 2012-B Bonds"). The Series 2012-B Bonds have been issued under a Mortgage and Trust Indenture dated as of July 1, 2012 (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"). The Series 2012-B Bonds have been issued for the purpose of refunding certain bonds and other indebtedness heretofore issued and incurred 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") and for the purpose of financing the costs of certain improvements to 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 July 1, 2012 (herein called the "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 2012-B Bonds when due. Contemporaneously with the issuance of the Series 2012-B Bonds the Authority is issuing its \$5,185,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-A (herein called the "Series 2012-A Bonds), its \$230,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-C (herein called the "Series 2012-C Bonds), and its \$8,980,000 principal amount of Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2012-D (herein called the "Series 2012-D Bonds), under the Indenture on a parity of lien and pledge with the Series 2012-B Bonds. The Series 2012-A Bonds, the Series 2012-B Bonds, the Series 2012-C Bonds and the Series 2012-D Bonds are herein together called the "Series 2012 Bonds." As security for the payment by the Trust of rentals under the Lease, the Trust has pledged to the Authority certain fees, taxes and contractual contributions (herein called the "Direct Pledged Revenues") that are appropriated to the Trust.

THE INDENTURE CONTAINS NO PROVISIONS REQUIRING PUBLICATION OF NOTICE OF REDEMPTION OF ANY SERIES 2012-B BOND, AND EACH HOLDER OF ANY OF THE SERIES 2012-B 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 2012-B 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 2012-B Bonds are subject to redemption prior to their respective maturities as follows:

(1) The Series 2012-B Bonds having stated maturities after December 1, 2018, 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 December 1, 2018, and on any date thereafter, such redemption to be at and for a redemption price equal to the principal amount redeemed plus accrued interest to the date fixed for redemption.

(2) Those of the Series 2012-B Bonds having a stated maturity on December 1, 2023, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on December 1, 2022 in the principal amount of \$145,000. Series 2012-B Bonds in the aggregate principal amount of \$155,000 will be scheduled to remain to be paid at their maturity on December 1, 2023. The Series 2012-B Bonds (or principal portions thereof) to be redeemed on December 1, 2022 shall be selected by the Trustee by lot.


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Shelby Cnty Judge of Probate, AL
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Those of the Series 2012-B Bonds having a stated maturity on December 1, 2025, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on December 1, 2024 in the principal amount of \$155,000. Series 2012-B Bonds in the aggregate principal amount of \$160,000 will be scheduled to remain to be paid at their maturity on December 1, 2025. The Series 2012-B Bonds (or principal portions thereof) to be redeemed on December 1, 2024 shall be selected by the Trustee by lot.

Those of the Series 2012-B Bonds having a stated maturity on December 1, 2027, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on December 1, 2026 in the principal amount of \$165,000. Series 2012-B Bonds in the aggregate principal amount of \$170,000 will be scheduled to remain to be paid at their maturity on December 1, 2027. The Series 2012-B Bonds (or principal portions thereof) to be redeemed on December 1, 2026 shall be selected by the Trustee by lot.

Those of the Series 2012-B Bonds having a stated maturity on December 1, 2032, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on the following redemption dates in the following respective principal amounts:

<u>Redemption Date</u>	<u>Principal Amount</u>
December 1, 2028	\$175,000
December 1, 2029	185,000
December 1, 2030	195,000
December 1, 2031	205,000

Series 2012-B Bonds in the aggregate principal amount of \$475,000 will be scheduled to remain to be paid at their maturity on December 1, 2032. The Series 2012-B Bonds (or principal portions thereof) to be redeemed on each of the aforesaid dates shall be selected by the Trustee by lot.

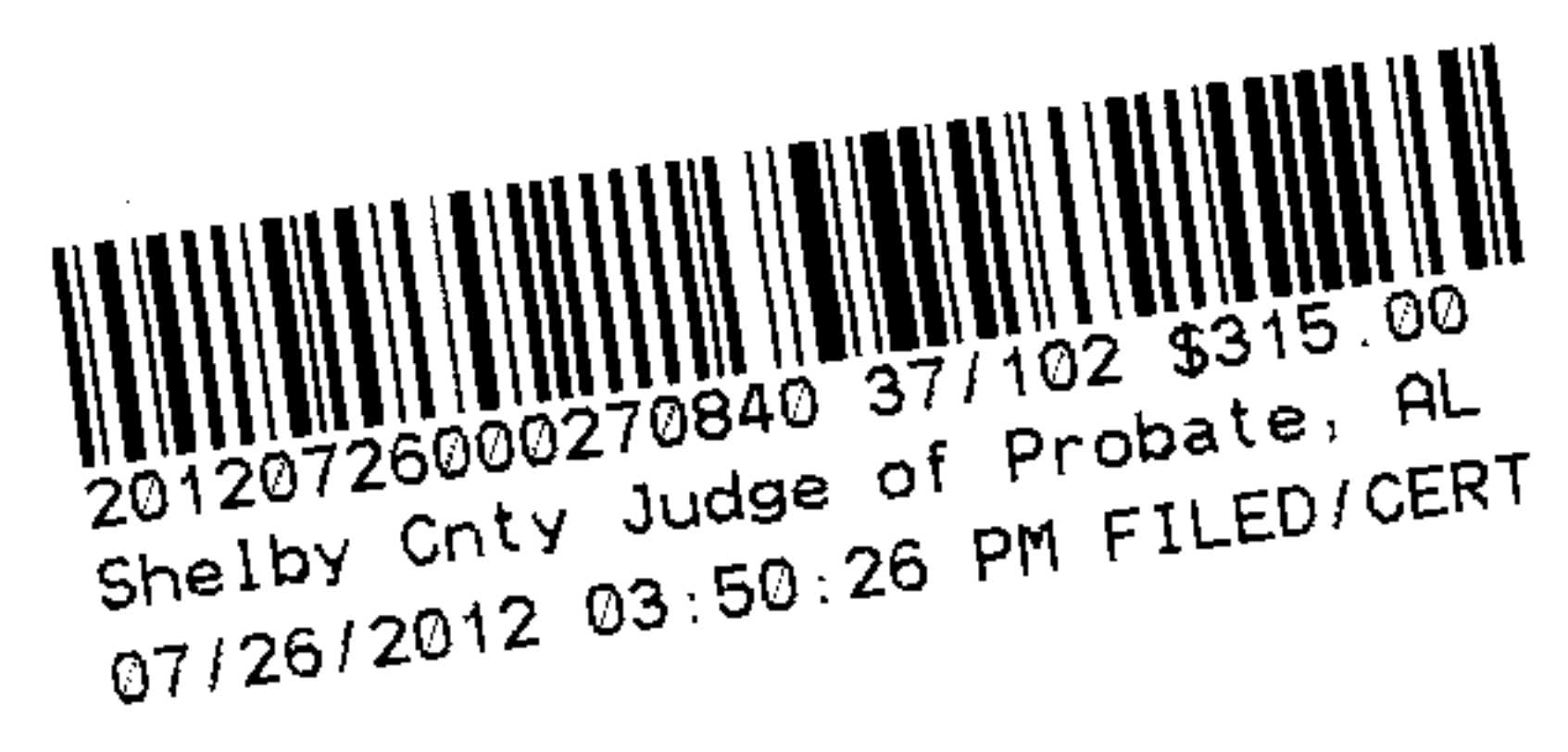
(3) The Series 2012-B Bonds are subject to redemption as a whole on any date, at and for a redemption price, with respect to each such Series 2012-B Bond, equal to the principal amount thereof plus accrued interest thereon to the date fixed for redemption, but only in the event of the taking by eminent 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, or (d) in the event of a "Determination of Taxability," as defined in the Indenture, with respect to the Series 2012-B Bonds.

In the event that less than all of the Series 2012-B Bonds of a particular maturity are to be redeemed and prepaid, the Trustee shall select by lot the Series 2012-B 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 first-class 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 2012-B 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 2012-B 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 2012-B 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 2012-B 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 2012 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 Improvements, (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 2012 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 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 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 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). Reference is hereby made to the Lease and the 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 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 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, 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 2012-B 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 2012-B 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 2012-B 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 2012-B Bonds for a like aggregate principal amount of Series 2012-B 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 2012-B 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 2012-B 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 manual or facsimile signature of its Chairman, has caused its corporate seal or a facsimile thereof to be hereunto impressed or imprinted, has caused the signature of the aforesaid Chairman to be attested by its Secretary, with his manual or facsimile signature.

**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)

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

Dated: _____

REGIONS BANK,
Trustee

By: _____
Its Authorized Officer

Signature guaranteed:

(Bank, Trust Company or Firm*)

By: _____
(Authorized Officer)


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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).

Notice by Securities Depository

Unless the within Bond is presented by an authorized representative of the Securities Depository (as defined in the Indenture referenced in the within Bond), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of the Securities Depository or the Securities Depository Nominee (as defined in the Indenture referenced in the within Bond), as the case may be, or in such other name as is requested by an authorized representative of the Securities Depository (and any payment is made to the Securities Depository or the Securities Depository Nominee or to such other entity as is requested by an authorized representative of the Securities Depository), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, the Securities Depository or Securities Depository Nominee, as the case may be, has an interest herein.

(c) Series 2012-C Bonds. The Series 2012-C Bonds and the registration certificate and assignment 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 2012-C Bond]

No. C-__

\$_____

UNITED STATES OF AMERICA

STATE OF ALABAMA

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

Revenue Refunding Bonds
(The Alabama Veterans Living Legacy Project)
Series 2012-C


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Dated Date

Interest Rate

Maturity Date

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"), will 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 the maturity date specified above 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 December 1, 2012, and semiannually thereafter on each June 1 and December 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 designated 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 \$230,000 and designated Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-C (herein called the "Series 2012-C Bonds"). The Series 2012-C Bonds have been issued under a Mortgage and Trust Indenture dated as of July 1, 2012 (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"). The Series 2012-C Bonds have been issued for the purpose of refunding certain bonds and other indebtedness heretofore issued and incurred 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") and for the purpose of financing the costs of certain improvements to 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 July 1, 2012 (herein called the "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 2012-C Bonds when due. Contemporaneously with the issuance of the Series 2012-C Bonds the Authority is issuing its \$5,185,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-A (herein called the "Series 2012-A Bonds), its \$3,350,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-B (herein called the "Series 2012-B Bonds), and its \$8,980,000 principal amount of Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2012-D (herein called the "Series 2012-D Bonds), under the Indenture on a parity of lien and pledge with the Series 2012-C Bonds. The Series 2012-A Bonds, the Series 2012-B Bonds, the Series 2012-C Bonds and the Series 2012-D Bonds are herein together called the "Series 2012 Bonds." As security for the payment by the Trust of rentals under the Lease, the Trust has pledged to the Authority certain fees, taxes and contractual contributions (herein called the "Direct Pledged Revenues") that are appropriated to the Trust.

THE INDENTURE CONTAINS NO PROVISIONS REQUIRING PUBLICATION OF NOTICE OF REDEMPTION OF ANY SERIES 2012-C BOND, AND EACH HOLDER OF ANY OF THE SERIES 2012-C 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 2012-C 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 2012-C Bonds are subject to redemption as a whole on any date, at and for a redemption price, with respect to each such Series 2012-C 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, or (d) in the event of a "Determination of Taxability," as defined in the Indenture, with respect to the Series 2012-C Bonds.

In the event that less than all of the Series 2012-C Bonds of a particular maturity are to be redeemed and prepaid, the Trustee shall select by lot the Series 2012-C 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 first-class 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 2012-C 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 2012-C 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 2012-C 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 2012-C 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 2012 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 Improvements, (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 2012 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 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 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 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). Reference is hereby made to the Lease and the 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 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 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, 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 2012-C 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 2012-C 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 2012-C 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 2012-C Bonds for a like aggregate principal amount of Series 2012-C 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 2012-C 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 2012-C 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 manual or facsimile signature of its Chairman, has caused its corporate seal or a facsimile thereof to be hereunto impressed or imprinted, has caused the signature of the aforesaid Chairman to be attested by its Secretary, with his manual or facsimile signature.

**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)

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

Dated: _____

REGIONS BANK,
Trustee

By: _____
Its Authorized Officer

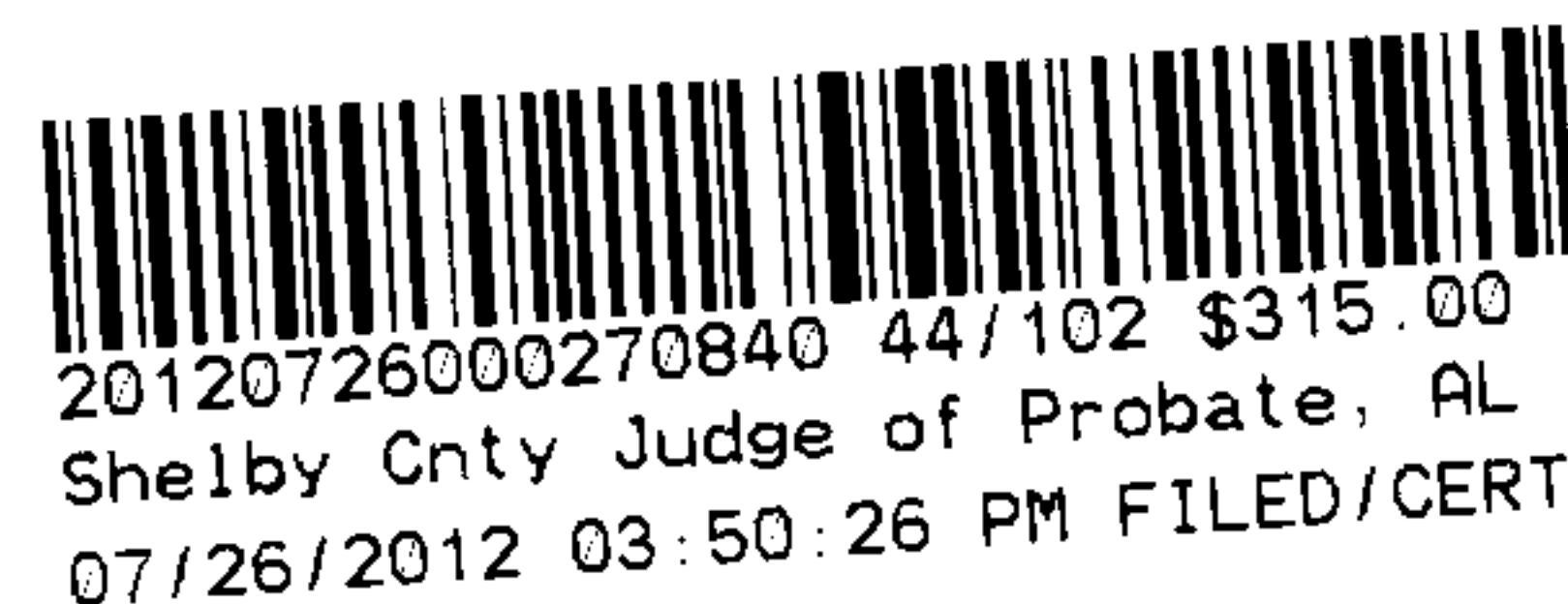
Signature guaranteed:

(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).



Notice by Securities Depository

Unless the within Bond is presented by an authorized representative of the Securities Depository (as defined in the Indenture referenced in the within Bond), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of the Securities Depository or the Securities Depository Nominee (as defined in the Indenture referenced in the within Bond), as the case may be, or in such other name as is requested by an authorized representative of the Securities Depository (and any payment is made to the Securities Depository or the Securities Depository Nominee or to such other entity as is requested by an authorized representative of the Securities Depository), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, the Securities Depository or Securities Depository Nominee, as the case may be, has an interest herein.

(d) Series 2012-D Bonds. The Series 2012-D Bonds and the registration certificate and assignment 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 2012-D Bond]

No. D-__

\$ _____

UNITED STATES OF AMERICA

STATE OF ALABAMA

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

Revenue Bonds
(The Alabama Veterans Living Legacy Project)
Series 2012-D


20120726000270840 45/102 \$315.00
Shelby Cnty Judge of Probate, AL
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Dated Date

Interest Rate

Maturity Date

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"), will 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 the maturity date specified above 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 December 1, 2012, and semiannually thereafter on each June 1 and December 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 designated 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 \$8,980,000 and designated Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2012-D (herein called the "Series 2012-D Bonds"). The Series 2012-D Bonds have been issued under a Mortgage and Trust Indenture dated as of July 1, 2012 (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"). The Series 2012-D Bonds have been issued for the purpose of refunding certain bonds and other indebtedness heretofore issued and incurred 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") and for the purpose of financing the costs of certain improvements to 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 July 1, 2012 (herein called the "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 2012-D Bonds when due. Contemporaneously with the issuance of the Series 2012-D Bonds the Authority is issuing its \$5,185,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-A (herein called the "Series 2012-A Bonds"), its \$3,350,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-B (herein called the "Series 2012-B Bonds"), and its \$230,000 principal amount of Revenue Refunding Bonds (The Alabama Veterans Living Legacy Project), Series 2012-C (herein called the "Series 2012-C Bonds"), under the Indenture on a parity of lien and pledge with the Series 2012-D Bonds. The Series 2012-A Bonds, the Series 2012-B Bonds, the Series 2012-C Bonds and the Series 2012-D Bonds are herein together called the "Series 2012 Bonds." As security for the payment by the Trust of rentals under the Lease, the Trust has pledged to the Authority certain fees, taxes and contractual contributions (herein called the "Direct Pledged Revenues") that are appropriated to the Trust.

THE INDENTURE CONTAINS NO PROVISIONS REQUIRING PUBLICATION OF NOTICE OF REDEMPTION OF ANY SERIES 2012-D BOND, AND EACH HOLDER OF ANY OF THE SERIES 2012-D 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 2012-D 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 2012-D Bonds are subject to redemption prior to their respective maturities as follows:

- (1) The Series 2012-D Bonds having stated maturities after December 1, 2018, 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 December 1, 2018, and on any date thereafter, such redemption to be at and for a redemption price equal to the principal amount redeemed plus accrued interest to the date fixed for redemption.

(2) Those of the Series 2012-D Bonds having a stated maturity on December 1, 2032, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on the following redemption dates in the following respective principal amounts:

<u>Redemption Date</u>	<u>Principal Amount</u>
December 1, 2030	\$380,000
December 1, 2031	400,000

Series 2012-D Bonds in the aggregate principal amount of \$160,000 will be scheduled to remain to be paid at their maturity on December 1, 2032. The Series 2012-D Bonds (or principal portions thereof) to be redeemed on each of the aforesaid dates shall be selected by the Trustee by lot.

Those of the Series 2012-D Bonds having a stated maturity on December 1, 2037, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on the following redemption dates in the following respective principal amounts:

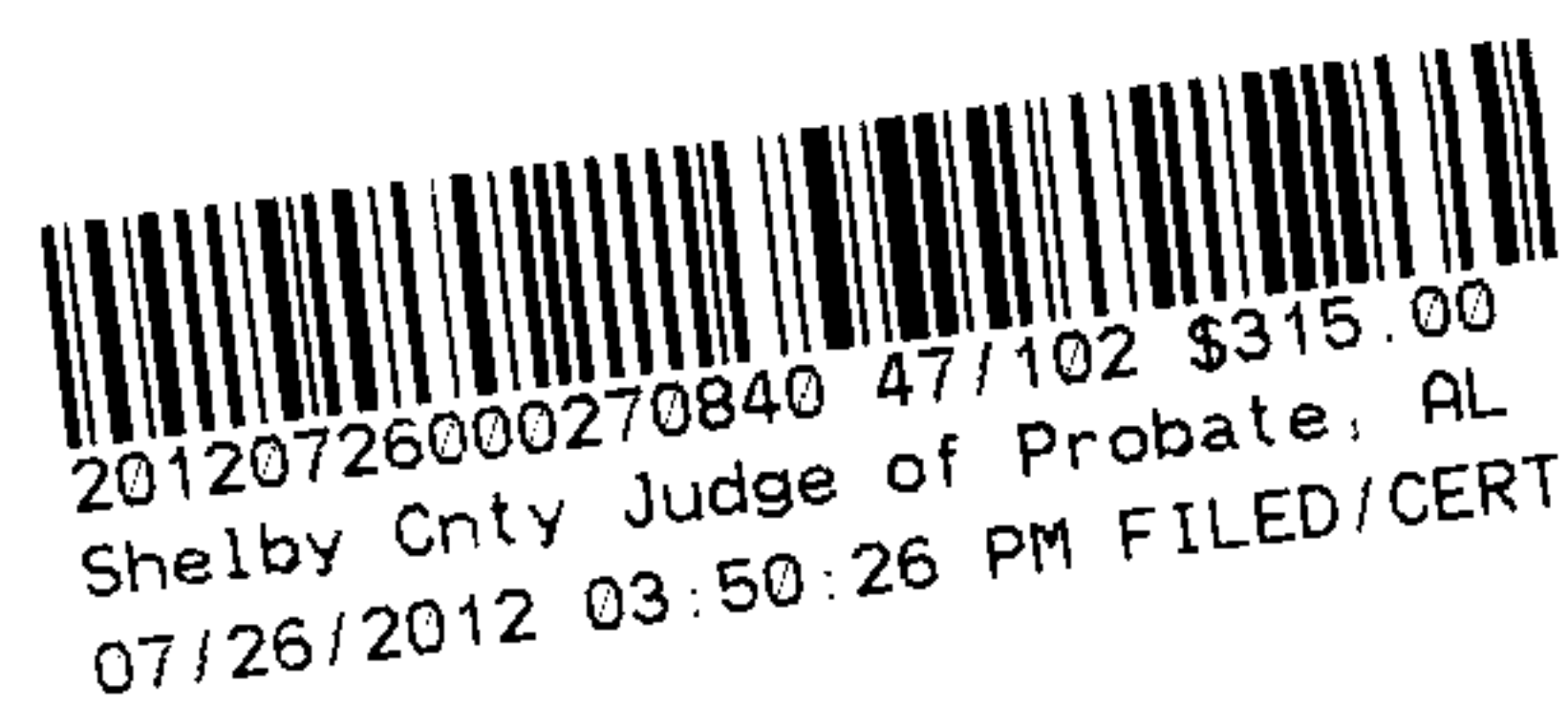
<u>Redemption Date</u>	<u>Principal Amount</u>
December 1, 2033	\$665,000
December 1, 2034	695,000
December 1, 2035	720,000
December 1, 2036	750,000

Series 2012-D Bonds in the aggregate principal amount of \$780,000 will be scheduled to remain to be paid at their maturity on December 1, 2037. The Series 2012-D Bonds (or principal portions thereof) to be redeemed on each of the aforesaid dates shall be selected by the Trustee by lot.

Those of the Series 2012-D Bonds having a stated maturity on December 1, 2042, will be subject to scheduled mandatory redemption prior to their maturity, at and for a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, on the following redemption dates in the following respective principal amounts:

<u>Redemption Date</u>	<u>Principal Amount</u>
December 1, 2038	\$815,000
December 1, 2039	850,000
December 1, 2040	885,000
December 1, 2041	920,000

Series 2012-D Bonds in the aggregate principal amount of \$960,000 will be scheduled to remain to be paid at their maturity on December 1, 2042. The Series 2012-D Bonds (or principal portions thereof) to be redeemed on each of the aforesaid dates shall be selected by the Trustee by lot.



(3) The Series 2012-D Bonds are subject to redemption as a whole on any date, at and for a redemption price, with respect to each such Series 2012-D 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, or (d) in the event of a "Determination of Taxability," as defined in the Indenture, with respect to the series 2012-D Bonds.

In the event that less than all of the Series 2012-D Bonds of a particular maturity are to be redeemed and prepaid, the Trustee shall select by lot the Series 2012-D 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 first-class 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 2012-D 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 2012-D 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 2012-D 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 2012-D 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 2012 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 Improvements, (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 2012 Bonds and all such additional parity bonds being herein together called the "Bonds").


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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 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 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 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). Reference is hereby made to the Lease and the 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 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 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, 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 2012-D 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 2012-D 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 2012-D 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 2012-D Bonds for a like aggregate principal amount of Series 2012-D Bonds of the same maturity and in authorized denominations, all upon the terms and subject to the conditions set forth in the Indenture.


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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 2012-D 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 2012-D 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 manual or facsimile signature of its Chairman, has caused its corporate seal or a facsimile thereof to be hereunto impressed or imprinted, has caused the signature of the aforesaid Chairman to be attested by its Secretary, with his manual or facsimile signature.

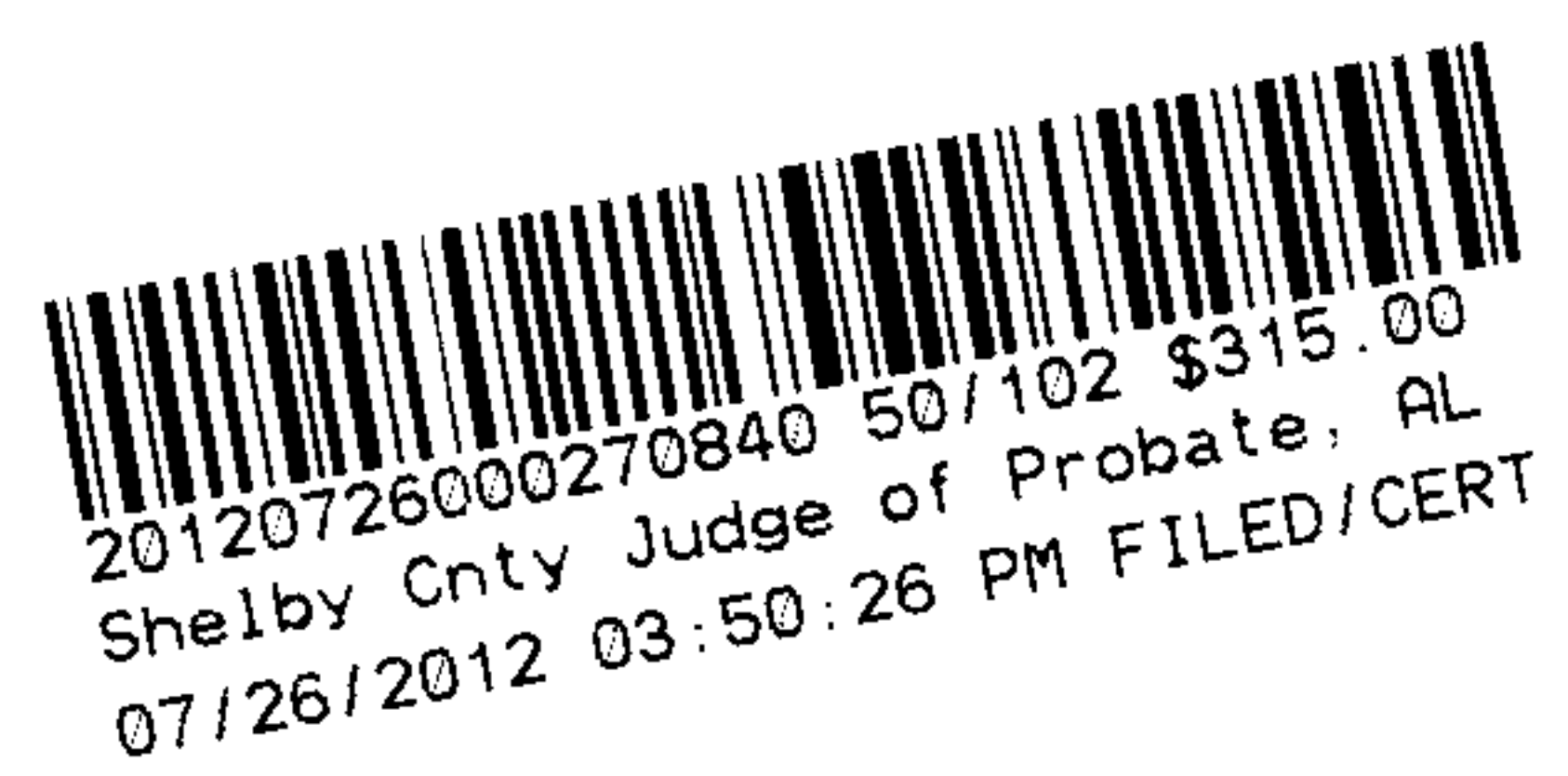
**THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO**

By: _____
Its Chairman

ATTEST:

Its Secretary

[S E A L]



(Form of Trustee's Authentication Certificate)

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

Dated: _____

_____,
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).

Notice by Securities Depository

Unless the within Bond is presented by an authorized representative of the Securities Depository (as defined in the Indenture referenced in the within Bond), to the Authority or its agent for registration of transfer, exchange, or payment, and any Bond issued is registered in the name of the Securities Depository or the Securities Depository Nominee (as defined in the Indenture referenced in the within Bond), as the case may be, or in such other name as is requested by an authorized representative of the Securities Depository (and any payment is made to the Securities Depository or the Securities Depository Nominee or to such other entity as is requested by an authorized representative of the Securities Depository), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, the Securities Depository or Securities Depository Nominee, as the case may be, has an interest herein.

Section 7.8 Execution and Delivery of the Series 2012 Bonds. The Series 2012 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; provided, however, that as a condition precedent to the authentication and delivery of the Series 2012 Bonds by the Trustee, there shall have been delivered to the Trustee, the Title Insurance Policy providing for insurance of the interests of the Trustee in an amount not less than \$17,745,000.


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Section 7.9 Application of Proceeds from Sale of Series 2012 Bonds. The proceeds derived from the sale of the Series 2012 Bonds shall be applied for the purposes only and in the order specified in the Funding Memorandum attached hereto as Exhibit C.

Section 7.10 Book-Entry Procedures. Except as provided in Section 7.10(b) hereof, the registered owner of all of the Series 2012 Bonds shall be The Depository Trust Company (“DTC”) and the Series 2012 Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Payment of semiannual interest for any Series 2012 Bond registered as of a Record Date in the name of Cede & Co. shall be made by wire transfer to the account of Cede & Co. on the Interest Payment Date at the address indicated on the Record Date for Cede & Co. in the registry books of the Authority kept by the Trustee.

(a) The Series 2012 Bonds of each series shall be initially issued in the form of a separate single authenticated fully registered Series 2012 Bond in the principal amount of each separately stated maturity. Upon initial issuance, the ownership of each such Series 2012 Bond shall be registered in the registry book of the Authority kept by the Trustee in the name of Cede & Co., as nominee of DTC. The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the Series 2012 Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Series 2012 Bonds, selecting the Series 2012 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of Series 2012 Bonds under the Indenture, registering the transfer of Series 2012 Bonds, obtaining any consent or other action to be taken by Holders of Series 2012 Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any DTC participant, any Person claiming a beneficial ownership interest in the Series 2012 Bonds under or through DTC or any DTC participant, or any other Person which is not shown on the registration books of the Authority kept by the Trustee as being a Holder of Series 2012 Bonds. The Authority and the Trustee shall have no responsibility with respect to the accuracy of any records maintained by DTC, Cede & Co. or any DTC participant with respect to any ownership interest in the Series 2012 Bonds; the payment by DTC or any DTC participant to any beneficial owner of any amount in respect of the principal or redemption price of or interest on the Series 2012 Bonds; the delivery to any DTC participant or any beneficial owner of any notice which is permitted or required to be given to Holders of the Series 2012 Bonds under the Indenture; the selection by DTC or any DTC participant of any Person to receive payment in the event of a partial redemption of the Series 2012 Bonds; or the authority for any consent given or other action taken by DTC as the Holder of Series 2012 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2012 Bonds only to Cede & Co., as nominee of DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Authority’s obligations with respect to the principal of and premium, if any, and interest on the Series 2012 Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co. and direction to effect such change on the registry books maintained by the Trustee, the term “Cede & Co.” in this Indenture shall refer to such new nominee of DTC.

(b) In the event the Authority determines that it is in the best interest of the beneficial owners of the Series 2012 Bonds that they be able to obtain bond certificates, the Authority may notify DTC and the Trustee of the availability through DTC of bond certificates. In such event, the Trustee shall issue, transfer and exchange bond certificates

as requested by DTC and any other Holders of Series 2012 Bonds in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2012 Bonds at any time by giving notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law. Under such circumstances (if there is no successor securities depository), the Authority and Trustee shall be obligated to deliver bond certificates as described in the Indenture. In the event bond certificates are issued to Holders of the Series 2012 Bonds other than DTC, the provisions of Article VI of the Indenture shall apply to, among other things, the transfer and exchange of such certificates and the method of payment of principal of and interest on such certificates. Whenever DTC requests the Authority and the Trustee to do so, the Authority and the Trustee will cooperate with DTC in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Series 2012 Bonds to any DTC participant having Series 2012 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2012 Bonds.

(c) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2012 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on such Series 2012 Bond and all notices with respect to such Series 2012 Bond shall be made and given to DTC as provided in the Representation Letter to be signed by the Authority and the Trustee on or prior to the date of issuance and delivery of the Series 2012 Bonds and accepted by DTC. Without limitation of the foregoing, so long as any Series 2012 Bond is registered in the name of Cede & Co., as nominee of DTC, the Trustee shall send a copy of any notice of redemption by overnight delivery not less than thirty (30) days before the redemption date to DTC, but such mailing shall not be a condition precedent to such redemption and failure to so mail any such notice (or failure of DTC to advise any DTC participant, or any DTC participant to notify the beneficial owner, of any such notice or its content or effect) shall not affect the validity of the proceedings for the redemption of the Series 2012 Bonds.

(d) In connection with any notice or other communication to be provided to Holders of the Series 2012 Bonds pursuant to the Indenture by the Authority or the Trustee with respect to any consent or other action to be taken by Holders of the Series 2012 Bonds, so long as any Series 2012 Bond is registered in the name of Cede & Co., as nominee of DTC, the Authority or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than fifteen (15) calendar days in advance of such record date to the extent possible.

(e) In the event of any inconsistency between the provisions of this Section 7.10 and any other provision of the Indenture or the forms of Series 2012 Bonds, the provisions of this Section 7.10 shall govern so long as bond certificates have not been issued to the Holders of the Series 2012 Bonds other than DTC in accordance with this Section 7.10(c) hereof.

(f) The Trustee shall have no responsibility for transmission of payments or notices to beneficial owners of Series 2012 Bonds by DTC while the book-entry procedures are in effect with respect thereto.


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ARTICLE VIII

ADDITIONAL BONDS

Section 8.1 Additional Bonds—In General. If no Event of Default shall have occurred and be continuing, the Authority shall at any time and from time to time, if requested by the Trust, 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 2012 Bonds are insufficient to pay all the Project Improvement Costs for Phase I of the Project Improvement Work, for the purpose of obtaining funds with which to pay such costs;
- (b) for the purpose of obtaining funds with which to pay the costs of Phase II of the Project Improvement Work;
- (c) for the purpose of financing the costs of making repairs and renovations to the Project or acquiring and/or constructing Capital Improvements;
- (d) 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
- (e) for a 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 all or substantially all of the Project shall be taken under the exercise of the power of eminent domain. 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.

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

- (a) Supplemental Indenture. A Supplemental Indenture duly executed, sealed and acknowledged on behalf of the Authority and containing the following [to the extent applicable in the case of clause (ii) below]: (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 various certificates applicable thereto; (ii) provisions subjecting to the lien of the Indenture all properties acquired and to be acquired in connection with any additions, improvements and modifications to the Project, including any additional land not theretofore constituting part of the Project Site on which any such additions, improvements and modifications are, or are to be located; (iii) a confirmation of

the lien of the Indenture on all properties then constituting a part of the Project, including specifically, without limiting the generality of the foregoing, all such properties acquired since the execution of the Indenture or Supplemental Indenture most recently executed; (iv) if immediately following the issuance of such Additional Bonds the then applicable Maximum Annual Debt Service Requirement will be greater than the amount in the Debt Service Reserve Fund immediately prior to the issuance of such Additional Bonds, a provision requiring that there be paid into the Debt Service Reserve Fund, out of the principal proceeds from the sale of such Additional Bonds or any other moneys of the Authority or the Trust available therefore, such amount as may be necessary to cause there to be on deposit in the Debt Service Reserve Fund, immediately following the issuance of such Additional Bonds, a sum at least equal to the then applicable Maximum Annual Debt Service Requirement; and (iv) any other provisions that do not conflict with the provisions hereof;

(b) 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 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;

(c) Supplemental Lease. A fully executed and acknowledged copy of an agreement between the Authority and the Trust supplemental to the Lease containing the following [to the extent applicable in the case of clause (iii) below]: (i) an agreement by the Trust to pay, on or before the first day of each such term, additional, supplemental or changed Basic Rent in an amount sufficient to pay the principal of and the interest and premium (if any) on such Additional Bonds; (ii) in the event the last maturity of such Additional Bonds is subsequent to December 1, 2042, provisions for the Trust to renew the Lease for terms extending at least to the date of 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, including any additional land not theretofore constituting part of the Project Site on which any such additions, improvements and modifications are, or are to be located; (iv) provisions reaffirming the pledge of Direct Pledged Revenues as provided in Section 5.8 of the Lease; and (v) any other provisions not in conflict with the Indenture or the Lease;

(d) Certificate Respecting Direct Pledged Revenues. A certificate signed by the Executive Director of the Trust stating that the Direct Pledged Revenues received by the Trust in the fiscal year next preceding the fiscal year in which such Additional Bonds are proposed to be issued were not less than 125% of the maximum amount of Bond Year Debt Service computed for the then current or any subsequent Bond Year with respect to the Bonds then outstanding and the Additional Bonds proposed to be issued;


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(e) Confirmation of Title to Project Site. An opinion, acceptable to the Trustee and dated as of the date of the issuance of such Additional Bonds, of Independent Counsel acceptable to the Trustee stating that the Authority has good and marketable title to any land subjected to the lien of the Indenture pursuant to the provisions of clause (ii) of subsection (a) of this section, subject only to Permitted Encumbrances, or, in lieu of such opinion, a policy or binder of title insurance, or an endorsement to a previously issued policy of title insurance, written by an insurer acceptable to the Trustee and insuring the mortgage interest of the Trustee in such land, except with respect to Permitted Encumbrances, in an amount not less than the principal amount of such of the Additional Bonds as are being issued to pay the costs of acquiring or improving real property (including such land) which constitutes, or is to constitute, part of the Project;

(f) Opinion of Counsel for the Trust. An opinion, acceptable to the Trustee and dated as of the date of the issuance of such Additional Bonds, of Counsel for the Trust acceptable to the Trustee stating in substance that the Lease, as supplemented by the supplemental agreement provided for in subsection (c) of this Section 8.2, constitutes a valid and binding agreement of the Trust;

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

(h) 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.

The Certificate described in subparagraph (d) of the next preceding paragraph of this Section 8.2 shall not be required in connection with Additional Bonds issued to refund or otherwise retire any Bonds if the Bond Year Debt Service with respect to all Bonds that will be outstanding immediately following the issuance of such Additional Bonds will be reduced in each Bond Year occurring prior to the latest maturity of the Bond previously outstanding.

Upon receipt of the documents required by the provisions of this section to be furnished to it, the Trustee shall thereupon execute the Supplemental Indenture so presented and deliver the same to the Authority to be filed for record at the expense of the Authority or the Trust 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 (b) of this section directed that they be delivered.


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ARTICLE IX
CONCERNING THE PROJECT IMPROVEMENT
WORK AND PAYMENT OF PROJECT
DEVELOPMENT COSTS

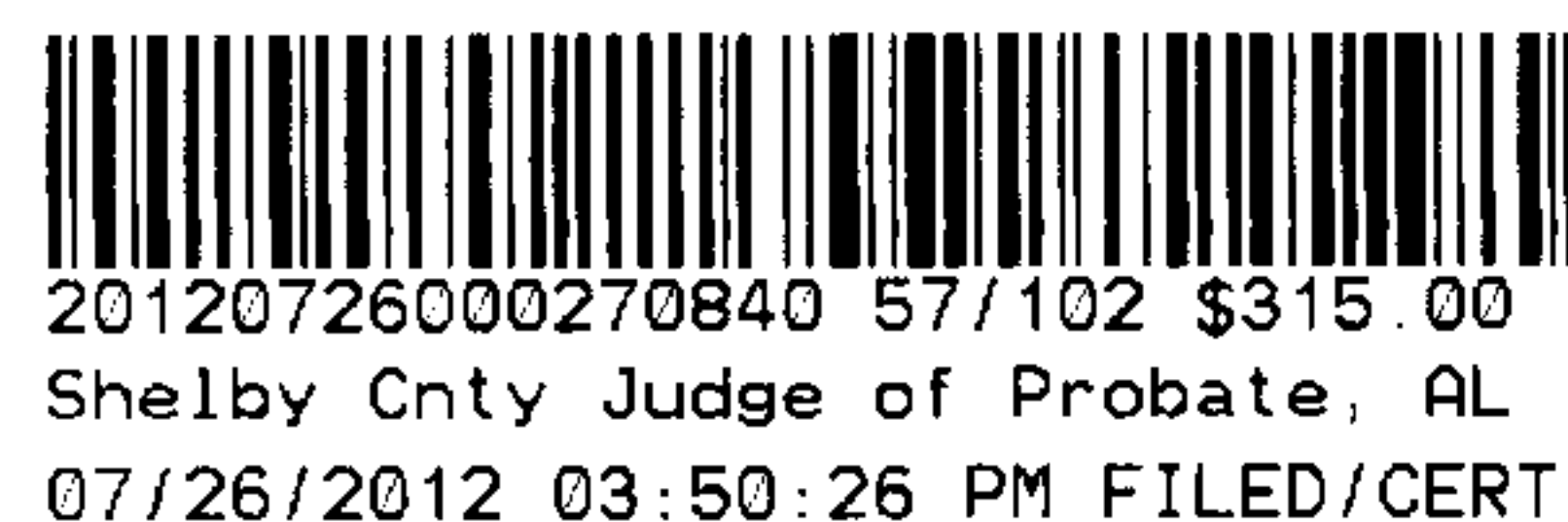
Section 9.1 Agreement Respecting Completion of Project Improvement Work. The Authority will undertake and complete the Project Improvement Work or will cause the same to be undertaken and completed, all as and to the extent provided in Article IV of the Lease. The Authority will complete the Project Improvement 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 presently unpaid Project Improvement 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 Trust 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 mechanic's 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 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 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 "Citizenship Trust Construction Fund", for the purpose of providing for the payment of Project Improvement Costs. The Trustee shall be and remain the depository, custodian and disbursing agent for the Construction Fund. As provided in the Funding Memorandum, there shall be deposited in the Construction Fund certain proceeds derived from the sale of the Series 2012 Bonds.

The moneys in the Construction Fund shall be disbursed by the Trustee from time to time for the purpose of paying Project Improvement Costs, but only upon receipt of a requisition in substantially the form attached hereto as Exhibit B signed by or on behalf of any Authorized Trust Representative containing, with respect to each payment requested thereby, the following:

- (1) a statement of the amount requested to be paid, the name and address of the Person (which may be the Trustee or the Trust) to whom such payment is due and the particular Project Improvement Cost which is to be paid pursuant to such requisition;
- (2) a certification that no Lease Default and no Event of Default has occurred and is continuing;



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

(4) 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 2012 Bonds;

(5) 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;

(6) a certification that the Trust has not received notice of any mechanic's, materialmen's or other liens or right to liens or other obligations (other than those being contested in good faith, that should be satisfied or discharged before payment of the Project Improvement Costs requested by this requisition;

(7) a certification that the payment requested in such requisition does not include any amount that is entitled to be retained under any holdbacks or retainages provided for in any agreement;

(8) 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 Trust's satisfaction;

(9) 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 Improvement Costs not constituting Qualifying Project Improvement Costs; and

(10) 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 Improvement 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 2012 Bonds.

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

The Trustee will keep and maintain adequate records pertaining to the Construction Fund and all moneys received therein and disbursed therefrom. The Trustee will provide the Authority and the Trust with monthly reports respecting the moneys received into and disbursed from the Construction Fund. After payment of all Project Improvement Costs as certified by the Trust pursuant to the provisions of Section 4.6 of the Lease, the Trustee shall transfer any balance remaining in the Construction Fund into the Principal Account of the Bond Fund.


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Section 9.3 Trustee Protected in Construction Fund Payments; Additional Evidence May Be Required. The 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 Trustee may rely as to the completeness and accuracy of all statements and certifications contained in such requisitions, and the 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. Notwithstanding the foregoing provisions of this section, the Trustee shall, when requested in writing so to do by the Holders of not less than a majority in principal amount of the Bonds then outstanding, require, as a condition precedent to any payment from the Construction Fund (other than a payment into the Bond Fund pursuant to the last paragraph of Section 9.2 hereof), such additional evidence as it may reasonably deem appropriate respecting the application of any moneys previously disbursed from the Construction Fund or as to the correctness of any estimate or bill presented to it for payment pursuant to the provisions of said Section 9.2.

Section 9.4 Investment of Construction Fund Moneys. Following the issuance of the Series 2012 Bonds, the Trust may thereafter at any time and from time to time direct the Trustee in writing to invest the moneys held in the Construction Fund in any Eligible Certificates or Federal Securities having stated maturities in such amounts and on such dates as to make available from the Construction Fund cash moneys sufficient to meet the needs of the Construction Fund. The Trust shall not direct the 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.

All income or profit derived from the investment or reinvestment of moneys in the Construction Fund shall be credited to the Construction Fund and considered a part thereof and all losses resulting from any such investment or reinvestment shall also be charged to the Construction Fund. The 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 Trust Representative, sell or otherwise convert any of such investments into cash. The 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 Eligible Investments in which any portion of such moneys are at the time so invested shall be included therein at their then market value.

ARTICLE X

CREATION OF SPECIAL FUNDS AND APPLICATION OF DIRECT PLEDGED REVENUES

Section 10.1 Creation of Special Funds. For the purpose of collecting and applying the Direct Pledged Revenues, there are hereby created the following special trust funds having the full names shown below:

- (a) Citizenship Trust Revenue Fund;
- (b) Citizenship Trust Bond Principal and Interest Fund;


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- (c) Citizenship Trust Debt Service Reserve Fund; and
- (d) Citizenship Trust Bond Redemption Fund;

The Bond Fund shall consist of two separate and independent accounts, namely, the Interest Account and the Principal Account, each of which is hereby created as part of such fund. Each of the trust funds created by this section, and any account forming a part thereof, shall be maintained until the Indenture Indebtedness has been paid in full.

The Trustee shall be the depository, custodian and disbursing agent for each of the trust funds created by this section and for each account forming a part of any thereof; provided, however, that if for any period the Trustee shall not be a bank having one of its principal offices in the City of Birmingham, Alabama, the Trust may designate as the depository, custodian and disbursing agent of the Revenue Fund during such period any bank that has its principal office in the City of Birmingham, that is a member of the Federal Deposit Insurance Corporation (or other agency of the United States of America that may succeed to its functions) and that is acceptable to the Trustee, and the Revenue Fund shall be held by such bank in the name of the Trustee and under the control of the Trustee to the same extent as if the Trustee were the depository and custodian thereof; provided further, that if a bank having one of its principal offices in said City of Birmingham again becomes the Trustee (in accordance with the provisions of Section 14.6 hereof) after a period in which the Trustee was not such a bank, the Trustee shall thereupon again become the depository and custodian of the Revenue Fund.

Section 10.2 Revenue Fund; Deposit of Direct Pledged Revenues. As provided in Section 5.2 of the Lease, all Direct Pledged Revenues shall be deposited in the Revenue Fund within one business day after the receipt thereof by the Trust; provided, however, that for so long as the Trustee shall not have notified the Trust in writing that a deficiency exists in any of the Indenture Funds, the Trust may, in its discretion, defer deposit of Direct Pledged Revenues received by it into the Revenue Fund until not later than the 25th calendar day of each calendar month and shall be required to deposit therein only so much as shall be required to pay the current installment of Basic Rent and may retain any remaining portion of Direct Pledged Revenues, but in the event that at any time the Trustee shall notify the Trust in writing that a deficiency exists in any of the Indenture Funds, then the Trust shall immediately deposit all Direct Pledged Revenues then on hand in the Revenue Fund and shall commence depositing all Direct Pledged Revenues thereafter received in the Revenue Fund within one business day after the receipt thereof by the Trust for so long as any such deficiency continues and for a period of six months following the initial determination by the Trustee that no such deficiency continues to exist. On or before the 25th calendar day of the calendar month in which this Indenture shall be delivered, and on or before the 25th calendar day of each calendar month thereafter, or at such other times as may hereinafter be specified, the Trustee shall transfer moneys from the Revenue Fund, to the extent of the moneys held therein, for the following purposes in the order of priority set forth:

FIRST: for payment into the Interest Account of the Bond Fund of the amount then required to be paid therein from the Revenue Fund by the provisions of Section 10.3 hereof;

SECOND: for payment into the Principal Account of the Bond Fund of the amount then required to be paid therein from the Revenue Fund by the provisions of Section 10.3 hereof; and


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THIRD: for payment into the Debt Service Reserve Fund of the amount then required to be paid therein from the Revenue Fund by the provisions of Section 10.4 hereof.

After making for any calendar month the payments from the Revenue Fund specified above, any balance remaining in the Revenue Fund shall, to the extent necessary, be paid into the Interest Account of the Bond Fund, the Principal Account of the Bond Fund or the Debt Service Reserve Fund, according to the order of priority specified above, for the purpose of making good any deficiency existing in any of such funds or accounts. Thereafter, and while all monthly payments from the Revenue Fund specified above are current and no deficiency exists in any of the Interest Account of the Bond Fund, the Principal Account of the Bond Fund or the Debt Service Reserve Fund, the Trustee shall transfer to the Trust any balance remaining in the Revenue Fund on the last day of any calendar month.

For purposes of this section, (i) a deficiency in the Interest Account of the Bond Fund or the Principal Account of the Bond Fund shall be the difference by which the respective amounts then held therein are less than the respective amounts then scheduled to be held therein pursuant to the applicable provisions of this Article X, and (ii) a deficiency in the Debt Service Reserve Fund shall be the difference by which the amount then held therein is less than the Maximum Annual Debt Service Requirement.

No payments or withdrawals shall be made from the Revenue Fund other than those authorized in the preceding provisions of this section, except for the purpose of investing moneys in the Revenue Fund pursuant to the provisions of Section 10.8 hereof.

On or before the fifth business day of each calendar month, the Trustee shall furnish to the Trust a statement as to the amount of Basic Rent and any additional rent which shall be required to be paid to the Trustee on or before the 25th calendar day of such calendar month, itemizing the amounts so required to be paid and the amount, if any, on deposit in the Revenue Fund and in the accounts of the Bond Fund which may be available as a credit against the amounts then required to be paid by the Trust; provided, however, that any failure by the Trustee to furnish such statement shall not relieve or defer the obligation of the Trust to pay in full when due every sum required to be paid pursuant to the provisions of Article V of the Lease.

Section 10.3 Bond Fund. There shall be paid into the accounts of the Bond Fund the following:

(a) simultaneously with the issuance and sale of any of the Additional Bonds, from the proceeds thereof, there shall be paid into the Interest Account that portion of such proceeds allocable to premium (if any) and accrued interest;

(b) there shall be paid into the Interest Account any portion of the principal proceeds derived from the sale of any Additional Bonds that is to be used to pay interest thereon (i.e., funded interest), with such funded interest to be paid into the Interest Account on such schedule and through such arrangements as may be provided in the Supplemental Indenture under which such Additional Bonds are issued;

(c) On or before the 25th calendar day of August 2012, and on or before the 25th calendar day of each calendar month thereafter until and including November 2012, there shall be paid into the Interest Account, from moneys in the Revenue Fund, an amount equal to one-fourth (1/4) of the interest becoming due with respect to the then outstanding series 2012 Bonds on December 1, 2012;

(d) on or before the 25th calendar day of December 2012, and on or before the 25th calendar day of each calendar month thereafter until and including November, 2042, there shall be paid into the Interest Account, from moneys in the Revenue Fund, an amount equal to one-sixth (1/6) of the interest becoming due with respect to the then outstanding Series 2012 Bonds on the next succeeding semiannual interest payment date with respect thereto;

(e) on or before the 25th calendar day of August 2012, and on or before the 25th calendar day of each calendar month thereafter until and including November, 2012, there shall be paid into the Principal Account, from moneys in the Revenue Fund, an amount equal to one-fourth (1/4) of the principal amount of the Series 2012 Bonds maturing or required by Section 7.4 hereof to be redeemed on December 1, 2012;

(f) on or before the 25th calendar day of December, 2012, and on or before the 25th calendar day of each calendar month thereafter until and including November, 2042, there shall be paid into the Principal Account, from moneys in the Revenue Fund, an amount equal to one-twelfth (1/12) of the principal amount of Series 2012 Bonds maturing or required by Section 7.4 hereof to be redeemed on the next succeeding December 1;

(g) on the 25th calendar day of each full calendar month between the issuance of any Additional Bonds and the next semiannual interest payment date with respect to the Bonds, and thereafter on the 25th calendar day of each succeeding calendar month, there shall be paid into the Interest Account, from moneys in the Revenue Fund, such monthly payments as shall be approximately equal in each period between interest payment dates and as shall together equal the interest maturing with respect to such Additional Bonds on each next succeeding interest payment date with respect thereto, all as shall be more particularly specified in the Supplemental Indenture providing for the issuance of such Additional Bonds;

(h) on the 25th calendar day of the calendar month not later than the twelfth (12th) month prior to the date on which any Additional Bonds shall first mature or be subject to scheduled mandatory redemption, and on the 25th calendar day of each calendar month thereafter, there shall be paid into the Principal Account, from moneys in the Revenue Fund, such monthly payments as shall be approximately equal in the annual periods next preceding each maturity or redemption date, as the case may be, for such Additional Bonds and as shall together equal the principal amount (if any) of such Additional Bonds maturing or required to be redeemed on such date, all as shall be more particularly specified in the Supplemental Indenture providing for the issuance of such Additional Bonds; and

(i) there shall be paid into either account of the Bond Fund any other moneys that are expressly required to be paid therein by the provisions of the Lease or the Indenture.

The Trustee will pay or transfer all moneys required to be paid or transferred into the accounts of the Bond Fund at such times, in such amounts and in such manner as herein provided. In any case where moneys are herein required by any provisions hereof or of the Lease 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 Principal Account.

Payments required to be made into the Bond Fund from moneys in the Revenue Fund shall be reduced by the following credits: There shall be credited against any payment into either account of the Bond Fund required by any of the preceding provisions of this section any amount then held in such account, but only to the extent that such amount does not itself consist of prior payments made pursuant to any of the preceding provisions of this section or has not theretofore been credited against any payment previously required by any of such provisions; provided, however, that moneys in either account of the Bond Fund shall not be credited against any required payment into such account pursuant to the preceding clause (2) if such moneys (i) are held therein for payment of unpaid Bonds, Bonds called for redemption but not yet redeemed, and unpaid interest on the Bonds, (ii) are held therein pursuant to instructions from the Trust for the future redemption or purchase of Bonds or (iii) are held therein for the payment of unmatured Bonds not called for redemption if such Bonds are considered fully paid pursuant to the provisions of Section 16.1 hereof by reason of the fact that such moneys are so held in the Bond Fund.

From the moneys held in the Interest Account, the Trustee shall pay the interest on the Bonds as and when said interest shall become due. From the moneys held in the Principal Account, the Trustee shall pay the principal of the Bonds as and when said principal shall mature, as well as the redemption price (excluding accrued interest) of any Bonds required by the provisions hereof or of any Supplemental Indenture to be redeemed prior to their respective maturities. Moneys on deposit in the Bond Fund shall, subject to the provisions of Sections 10.6 and 10.8 hereof, be used only for the payment of the principal of and the interest on the Bonds upon or after their respective maturities, for the redemption of Bonds prior to their respective maturities, and for the purchase of Bonds for retirement at a purchase price not greater than their par or face value plus accrued interest thereon. When any Bonds are to be redeemed or purchased with moneys in the Bond Fund, the redemption or purchase price of such Bonds (excluding accrued interest) shall be paid from moneys in the Principal Account and the accrued interest on such Bonds shall be paid from moneys in the Interest Account; provided, however, that moneys in either account of the Bond Fund shall not be used for the payment of the redemption or purchase price of Bonds if such moneys (i) are held therein for payment of matured but unpaid Bonds, Bonds called for redemption but not yet redeemed, and unpaid interest with respect to Bonds not then being redeemed or purchased, (ii) are held therein pursuant to instructions from the Trust for the future redemption or purchase of Bonds or (iii) are held therein for the payment of unmatured Bonds not called for redemption if such Bonds are considered fully paid pursuant to the provisions of Section 16.1 hereof by reason of the fact that such moneys are so held in the Bond Fund.

Section 10.4 Debt Service Reserve Fund. The Debt Service Reserve Fund shall be initially funded by the moneys required to be paid therein pursuant to Section 7.9 hereof. If, at any time following the initial funding of the Debt Service Reserve Fund to the full extent of the Maximum Annual Debt Service Requirement, there shall be a withdrawal therefrom, then on or before the 25th calendar day of the calendar month in which such withdrawal occurs, and on or before the 25th calendar day of each calendar month thereafter, the Trustee shall pay into the Debt Service Reserve Fund, from moneys in the Revenue Fund an


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amount equal to one twelfth (1/12) of the amount of such withdrawals. The Trustee shall also pay into the Debt Service Reserve Fund such other moneys as are expressly required to be paid therein by any provisions of the Lease or the Indenture.

The moneys held in the Debt Service Reserve Fund shall be transferred, first, to the Interest Account of the Bond Fund for payment of interest maturing with respect to the Bonds, but only when the moneys in such account shall not be sufficient to pay such interest and then only for payment of such interest as to which there would otherwise be a default, and, second, to the Principal Account of the Bond Fund for payment of any principal maturing with respect to the Bonds, or the redemption price of any of the Bonds required by the Indenture to be redeemed, but only when the moneys in such account shall not be sufficient to pay such principal or redemption price and then only for payment of principal so maturing, or the redemption price of Bonds required to be redeemed, as to which there would otherwise be a default. Any provision hereof to the contrary notwithstanding, no moneys shall be withdrawn from the Debt Service Reserve Fund and used for the payment of any interest or principal maturing with respect to the Bonds, or the redemption price of any of the Bonds required to be redeemed, until (i) the Trustee shall have first exhausted all moneys in the Redemption Fund that are then available for the payment of such interest, principal or redemption price and (ii) thereafter the Trust shall have first exhausted all moneys that are then legally available to the Trust for the payment of such interest, principal or redemption price (as to which legally available amount the Trust shall provide written certification to the Trustee).

If the total amount in the Debt Service Reserve Fund (exclusive of accrued interest on investments) shall exceed the Maximum Annual Debt Service Requirement, the Trustee shall transfer the amount in excess of such balance into the Construction Fund or, if the Completion Date shall have occurred, into the Interest Account of the Bond Fund unless the amount therein equals or exceeds the interest that will come due on the Bonds at the next interest payment date, in which case such excess shall be transferred into the Principal Account of the Bond Fund. When the amount of moneys in the Debt Service Reserve Fund plus the moneys in the Bond Fund equals or exceeds the aggregate principal of the Bonds then outstanding plus the aggregate interest thereon then due and to become due until the maturity thereof, the moneys on deposit in the Debt Service Reserve Fund shall be transferred into the Bond Fund and no further payments need thereafter be made into the Debt Service Reserve Fund, provided that should the Authority thereafter issue any Additional Bonds, the Trustee will thereafter make the payments into the Debt Service Reserve Fund that are required to be made therein pursuant to the applicable provisions hereof.

Section 10.5 Redemption Fund. The Trustee shall deposit or pay into the Redemption Fund only such moneys as are expressly required to be deposited or paid therein by any provisions of the Lease or the Indenture. Moneys in the Redemption Fund shall be used and applied solely for the purpose of redeeming Bonds prior to their respective maturities, or purchasing Bonds for retirement at a price not greater than their par or face value plus accrued interest thereon, or both; provided, that if at any time the aggregate of available moneys held in the appropriate account of the Bond Fund shall not be sufficient to pay the principal of or the interest on any of the Bonds at the respective maturities of such principal and interest, or the redemption price of any of the Bonds on the date on which, under the terms hereof or of any Supplemental Indenture, they are required to be redeemed, then the moneys held in the Redemption Fund shall be used to pay said principal or interest so maturing or the redemption price of any such Bonds, but only to the extent that such moneys are not required to pay the redemption price of any Bonds theretofore called for redemption or the purchase price of any Bonds theretofore contracted to be purchased.

Not more than sixty (60) and not less than forty-five (45) days prior to each interest payment date with respect to the Bonds, the Trustee will determine the amount then held in the Redemption Fund, and if such amount is sufficient to redeem at least \$5,000 in principal amount of Bonds, the Trustee shall so notify the Authority, whereupon the Authority will take such action as may be necessary under the provisions

hereof to exhaust, as nearly as may be practicable, the moneys held in the Redemption Fund by redeeming Bonds on the earliest practicable date thereafter on which they may be redeemed, by purchasing Bonds for retirement as provided above, or by both redeeming Bonds and purchasing Bonds for retirement as aforesaid. So long as any of the Series 2012 Bonds are outstanding, moneys held in the Redemption Fund shall be applied to the redemption or purchase of Series 2012 Bonds, and if less than all the Series 2012 Bonds are to be so redeemed at any one time, such redemption shall comply with the provisions of Section 7.6(a) hereof. If no Series 2012 Bonds are outstanding at the time any redemption or purchase of Bonds is to be effected with moneys held in the Redemption Fund, the Bonds to be so redeemed or purchased shall be selected in accordance with such priorities or rules of selection as may be provided in the Supplemental Indentures under which the Bonds then outstanding were issued; provided, however, that if no contrary provisions are contained in any Supplemental Indenture, the Bonds to be redeemed with moneys held in the Redemption Fund shall be selected in the inverse order of their maturities, without any requirement that the principal amount of such Bonds be prorated among different series of Bonds (if more than one series is at the time outstanding), and if less than all the Bonds of the same maturity are to be redeemed, those to be redeemed in whole or in part, shall be selected by the Trustee by lot.

Section 10.6 Retirement of Bonds Under Certain Conditions; General Provisions Respecting Bond Fund. In the event that at any time the total sum of moneys held in the Bond Fund, the Debt Service Reserve Fund and the Redemption Fund is sufficient to provide for retirement of all the Bonds (including premium, if any, and the interest that will mature thereon until and on the date or dates they are retired), either by redemption prior to their respective maturities in accordance with the applicable provisions of the Indenture or by payment of a portion thereof at their respective maturities and redemption of the remainder prior to their respective maturities, the Trustee will so notify the Authority and the Trust in writing, and the Authority and the Trustee will thereupon take such action as may be necessary under the provisions of Article VI hereof to call for redemption, on the earliest practicable redemption date thereafter on which under the terms of the Indenture such redemption may be effected, all the Bonds subject to redemption that will come due after such redemption date. On or before the redemption date to be fixed pursuant to the preceding provisions of this paragraph, the Trustee will transfer into the Bond Fund all moneys then held in the Debt Service Reserve Fund and the Redemption Fund, and the moneys so transferred, together with the moneys already held in the Bond Fund, shall be used to retire all the Bonds as aforesaid. Any redemption of Bonds effected pursuant to the requirements of this section shall be subject to the provisions of, and shall be effected in the manner provided by, Article VI hereof and (to the extent applicable) Section 7.6(a) hereof.

In the event that at any time the moneys held in the Bond Fund are sufficient so to retire all the Bonds or in the event that at any time the total of the moneys held in the Bond Fund equals or exceeds the aggregate principal of the Bonds then outstanding plus the aggregate interest thereon then due and to become due until the maturity thereof, then, and in either of such events, no further payments need thereafter be made into the Bond Fund unless (i) further payments are needed to make good moneys paid therein that may have been lost for any reason whatsoever, or (ii) any of the Bonds thereafter become subject to mandatory redemption under any of the provisions hereof and further payments into the Bond Fund are needed to effect such redemption.

Section 10.7 Disposition of Surplus Revenues. Any moneys remaining in the Revenue Fund on the last business day of each calendar month, after all required payment and transfers have been made therefrom, shall be transferred to the Trust.


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Section 10.8 Investment of Moneys in Revenue Fund, Bond Fund, Debt Service Reserve Fund and Redemption Fund. The Trustee shall, at the written direction of the Trust, cause all moneys held in the Revenue Fund to be kept continuously invested in Eligible Investments having stated maturities, or being redeemable at the option of the holder thereof and a stated price and time, not later than the 24th calendar day of each calendar month. All such Eligible Investments, together with all income or profit therefrom, shall become a part of the Revenue Fund to the same extent as if they were moneys on deposit therein.

The Trustee shall, at the written direction of the Trust, 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 ten days, for payment of any maturing installment of principal of or interest on the Bonds or for payment of the redemption price of any Bond called for redemption, to be kept continuously invested in Eligible Certificates or Federal Securities having such stated maturities as will assure the availability of cash moneys necessary 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). All securities and certificates in which any portion of the moneys in the Bond Fund are invested, together with all income therefrom, shall become a part of the Bond Fund.

The Trustee shall, at the written direction of the Trust, cause the moneys held in the Debt Service Reserve Fund to be kept continuously invested in Eligible Investments having stated maturities, or being redeemable at the option of the holder at a stated price and time not later than five (5) years after the date of investment therein; provided, however, that at all times not less than twenty-five percent (25%) of the amount held in the Debt Service Reserve Fund shall consist of cash or Eligible Deposits or federal securities having stated maturities, or being redeemable at the option of the holder at a stated price and time, not later than one (1) year after the date of investment therein. All investments in which moneys in the Debt Service Reserve Fund are invested, together with all income therefrom, shall become a part of the Debt Service Reserve Fund to the same extent as if they were moneys on deposit therein; provided, however, if at any time any income or profit is realized from an investment which, if added to the moneys then held in the Debt Service Reserve Fund, would cause the total amount of moneys held in the Debt Service Reserve Fund to exceed the Maximum Annual Debt Service Requirement, then such income or profit shall, promptly after the receipt thereof by the Trustee, be transferred from the Debt Service Reserve Fund into the Construction Fund (or, if the Completion Date shall have occurred, into the Revenue Fund) to the extent necessary to avoid an accumulation of moneys in the Debt Service Reserve Fund greater than the Maximum Annual Debt Service Requirement.

If at any time the total sum of moneys held in the Redemption Fund is less than \$5,000, the Trustee shall, at the written direction of the Trust, cause such moneys to be invested in Eligible Investments having stated maturities, or being redeemable at the option of the holder at a stated price and time, not later than five (5) years after the date of investment therein or the next succeeding date on which any of the Bonds are subject to redemption, whichever date is earlier. If at any time the total sum of moneys held in the Redemption Fund is \$5,000 or more, the Trustee shall, to the extent practicable at the written direction of the Trust, cause such moneys to be invested in Eligible Investments having stated maturities, or being redeemable at the option of the holder at a stated price and time, not later than the next succeeding date on which any of the Bonds are subject to redemption, it being understood, however, that any investment of moneys in the Redemption Fund made when the total amount held therein was less than \$5,000 need not be converted into cash and reinvested in accordance with this sentence but may be held until the maturity thereof or until the conversion thereof into cash prior to maturity shall be required as a result of the use of the moneys in the Redemption Fund for the purchase of Bonds for retirement or the redemption of Bonds in accordance with the provisions of Section 10.5 hereof. All investments in which moneys in the Redemption Fund shall be invested, together with all income therefrom, shall become a part of the Redemption Fund.

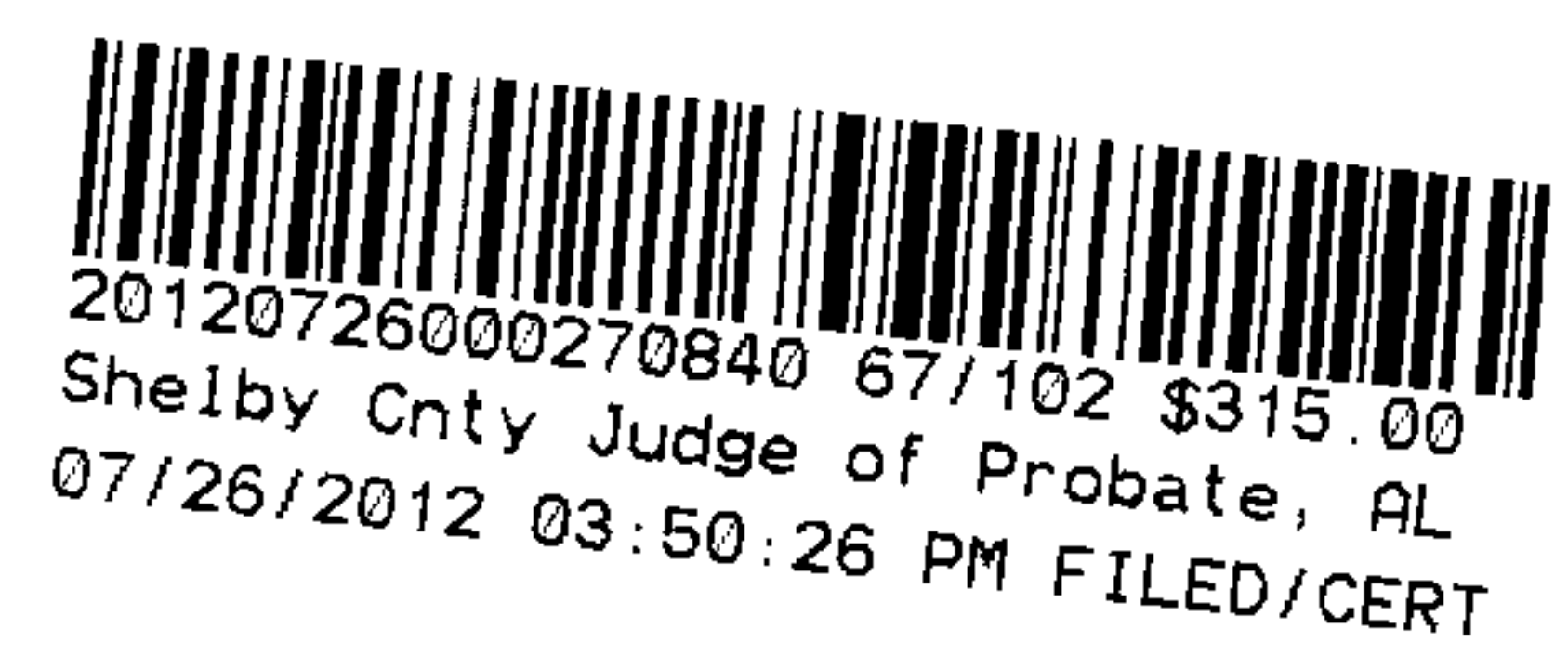
In order to comply with the requirements of the Indenture, the Trustee may, at any time and from time to time, cause any Federal Securities or Eligible Certificates forming a part of the Bond Fund, or any Eligible Investments forming a part of the Redemption Fund or the Debt Service Reserve Fund, to be sold or otherwise converted into cash, shall upon written request of the Trust cause any such securities, certificates or investments to be sold or otherwise converted into cash (but if and only if, in the case of Federal Securities or Eligible Certificates forming a part of the Bond Fund, 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 securities, certificates 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 securities, certificates or investments forming a part of the Redemption Fund or of the Bond Fund shall be paid into and become a part of the 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 Redemption Fund, the Trustee will follow such written instructions as may be given to it by the Trust, but if and only to the extent that such instructions are not inconsistent with any applicable provisions of the Indenture; provided, however, that the Trust shall not direct the 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. The 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 Redemption Fund or the Bond Fund, all securities, certificates or other investments in which any portion of such fund is at the time so invested shall be included therein at their then market value.

Section 10.9 Security for the Bond Fund, the Debt Service Reserve Fund and the Redemption Fund Moneys. The moneys at any time held in the Bond Fund, the Redemption Fund or the Debt Service Reserve Fund shall be and at all times remain impressed with a trust for the purposes for which said funds were respectively created. The Trustee shall at all times keep the moneys held in each such fund continuously secured, for the benefit of the Authority and the Holders of the Bonds, either

(a) by holding on deposit, as collateral security, Federal Securities, or other marketable securities eligible as security for the deposit of trust funds under regulations of the Comptroller of the Currency, having a market value (exclusive of accrued interest) not less than the amount of moneys held in the fund being secured, or

(b) if the furnishing of security in the manner provided in the foregoing clause (a) of this section is not permitted by the then applicable laws and regulations, then in such other manner as may be required or permitted by the then applicable state and federal laws and regulations respecting the security for, or granting a preference in the case of, the deposit of trust funds;

provided, however, that it shall not be necessary for the Trustee so to secure any portion of the moneys on deposit in any of such trust funds that is invested in Federal Securities or that is insured by the Federal Deposit Insurance Corporation or by any agency of the United States of America that may succeed to its functions.



Section 10.10 Commingling of Moneys in Separate Trust Funds. Any provision hereof to the contrary notwithstanding, moneys on deposit in the Bond Fund, the Debt Service Reserve Fund or the Redemption Fund may be commingled and combined for the purpose of making investments under the provisions of Section 10.8 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 fund in the same respective proportions as the amount invested from each such fund bears to the total amount so invested; and

(b) no moneys forming a part of any such 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 of the Project and any other moneys deposited in the Bond Fund, 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 any part of the Project may be mortgaged, 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 or any part of the Project may be mortgaged, 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 2012 Bonds, or, subject to the conditions set forth in the Indenture, Additional 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 Trust.


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Section 11.3 Concerning the Lease. The Indenture and the rights and privileges of the Trustee and the Bondholders are specifically made subject to the rights, options and privileges of the Trust under the Lease, and nothing herein contained shall be construed to impair the rights, options and privileges granted to the Trust 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 Trustee (on behalf of the Authority) may (but is not required to) 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 Trustee in writing of (i) the occurrence of any Lease Default, provided that the Authority has knowledge of such default, and (ii) the giving of any notice of default under the Lease. The Authority will also promptly notify the Trustee in writing if, to the knowledge of the Authority, the Trust 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, any such giving of notice of default or any such failure, whether notice thereof is given to the Trustee by the Authority, as aforesaid, or whether the Trustee independently has knowledge thereof, the Trustee will promptly give written notice thereof to the Trust, with a copy to the Authority, and shall in such notice expressly require the Trust to perform or observe the agreement or covenant with respect to which the Trust is delinquent, all to the end that if the Trust 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 Trustee as provided in the Lease. The Authority will not cancel, terminate or modify the Lease (except as is specifically provided, authorized or contemplated herein) unless and until the entire Indenture Indebtedness shall have been paid in full; provided, however, that with the written consent of the Trustee, the Authority may terminate the Lease under those provisions thereof authorizing such termination upon the occurrence of a Lease Default. In the event of a Lease Default, or in the event of a default on the part of the lessee under any subsequent lease entered into by the 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 Trust 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 Trust or other lessee therein contained. In the event it should become necessary for the Authority to terminate the Lease, or any subsequent lease entered into by the Authority with respect to the Project or any part thereof, to cure an Event of Default, the Authority and the Trustee will, following any such termination (with the consent of the Trustee, as aforesaid, for termination of the Lease) as a consequence of any Lease Default or any default by the lessee under the subsequent lease, as the case may be, use their best efforts to lease the Project in such manner and on such terms as shall produce net revenues sufficient to provide for payment of the principal of and the interest and premium (if any) on the Bonds when due (whether at maturity, by redemption or otherwise) and to that end will use their best efforts to provide in any such lease that the lessee thereunder will pay the costs of all repairs, maintenance, alterations and insurance, all utility charges, all taxes and other governmental charges, all fees and expenses of the Trustee and any other paying agents for the Bonds and all other operating and incidental costs and expenses, all to the end that all cash rent payable to the Authority under such lease may be used for payment of the principal of and the interest and premium (if any) on the Bonds. Any such subsequent lease so made shall be subject to the Indenture.


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Section 11.4 Maintenance, Repairs, Changes, Alterations, Taxes and Other Charges. Subject to the provisions of Section 17.1 hereof, the Authority will continuously maintain the Project Facilities, the Project Equipment and the other improvements located on the Project Site 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, the Project Equipment and said improvements 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 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 17.1 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 lien on the Project or any part thereof prior to or on a parity with the lien of the Indenture or 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 Trustee shall be of the opinion that by such action the lien of the Indenture as to any part of the Project shall be materially endangered, or the Project or any part thereof shall be subject to loss or forfeiture, or 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.


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Section 11.5 Warranty of Title. The Authority warrants as follows: it has good and marketable title to the property described and mortgaged 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 Trustee, for the benefit of the Holders of the Bonds, against the claims of all persons whomsoever, except those claiming under Permitted Encumbrances.

Section 11.6 Agreement of Authority to Maintain Corporate Existence and Not to Dispose of Project. Except to the extent specifically permitted otherwise by the provisions of the second paragraph of this Section 11.6, the Authority will maintain its corporate existence, will not dissolve or sell, transfer or otherwise dispose of the Project or any part thereof and will not consolidate with or merge into another public 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 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 any mortgage or other lien being imposed on the Project or the revenues therefrom that will be prior to the lien of the Indenture covering the Project or prior to the pledge of the revenues from the Project 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 State of Alabama or any political subdivision thereof or in the case of Bonds issued as Federal tax-exempt, includible in gross income for purposes of federal income taxation. Nothing contained herein shall, however, be construed to prevent the Authority from disposing of any of the Project Equipment pursuant to the provisions of Section 12.2 hereof.

Section 11.7 Freedom of Project from Prior Liens. Subject to the provisions of Section 17.1 hereof, the Authority will not knowingly permit the Project or any part thereof, or the revenues and receipts therefrom pledged hereunder or the Direct Pledged Revenues, 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 Trustee shall be of the reasonable 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. Without the consent of the Trustee, the Authority will not permit the creation of any lien on all or any part of the Project (other than the Lease), or the revenues and receipts therefrom pledged hereunder or the Direct Pledged Revenues, that is junior and subordinate to the lien of the Indenture. 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.

Section 11.8 Payment of Trustee's Charges; Lien Therefor. Subject to the provisions of Section 17.1 hereof, the Authority will discharge, pay or satisfactorily provide to the Trustee, or cause to be discharged, paid or provided, all liabilities, expenses, and advances reasonably incurred, disbursed or made by the 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 Trustee, or cause to be paid, reasonable compensation for its services hereunder, including extra compensation for unusual or extraordinary services. As security for the payment of such liabilities, expenses, advances and compensation, the Trustee shall have a first lien on the Project and the revenues and receipts therefrom pledged hereunder and all funds held or collected by the Trustee as such, with right of payment therefrom prior to the rights of the Holders of the Bonds. All such liabilities, expenses, advances and compensation shall bear interest until paid, from and after thirty (30) days after the respective dates on which the Trustee makes demand for the payment thereof, at a per annum rate equal to two percent (2%) in excess of the Prime Rate during the period for which such interest shall be payable. The 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 11.9 Inspections by Trustee. Subject to the provisions of Section 8.4 of the Lease, the Authority will permit the Trustee and its duly authorized agents to inspect, at any reasonable time, any and every part of the Project and will permit the Trustee to inspect, at any reasonable time, the books and records of the Authority pertaining to the Project. The Authority will assist in furnishing facilities for any such inspection.

Section 11.10 Recordation; Further Assurances. 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 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 lien of the Indenture any property hereafter acquired as a part of the Project and to transfer to any successor trustee or trustees the assets, powers, instruments and funds held in trust hereunder and to confirm the lien of 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 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 and the Lease.


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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 or to 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 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 or the Trustee in the Project, the Lease, or any other rights or properties mortgaged or pledged under the Indenture.

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 Trust, upon compliance with the conditions therein contained, to remove items of the Project Equipment from the Project and to sell or otherwise dispose of the same free and clear of the demise of the Lease and of the lien of the Indenture. Any item of the Project Equipment released from the demise of the Lease in accordance with the provisions thereof shall also be released from the lien of the Indenture, and the Trustee shall at the request of the Authority or of the Trust execute and deliver all instruments that may be necessary to confirm such release.

Section 12.3 Release Upon Payment of Condemnation Award to Trustee. If the Project or any part thereof shall be taken through the exercise of the power of eminent domain, the entire condemnation award referable thereto shall be paid directly to the Trustee. Upon payment to the Trustee of such award, the 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 (i) to release from the demise of the Lease all property forming part of the Project that shall be so taken and (ii) to release from the lien of the Indenture all property forming part of the Project that shall be so taken.


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Section 12.4 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 Trustee and shall thereafter be applied by the Trustee in the manner and for the purposes specified in Section 7.2 of the Lease. The 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 12.5 Disposition of Insurance Proceeds. The entire Net Insurance Proceeds received by the Trustee shall, subject to the provisions of the next succeeding two sentences of this section, be applied by the Trustee, at the written direction of the Trust, to payment of the costs of repairing, replacing, renewing or rebuilding the property damaged or destroyed (either on completion of the work of such repair, replacement, renewal or rebuilding or as such work progresses, as the Trust may determine), provided that any portion of such proceeds remaining after payment in full of such costs shall be paid into the Redemption Fund. If, however, the damage or destruction resulting in the receipt of such insurance proceeds is such as to authorize the Trust to exercise its right under Section 11.2 of the Lease to purchase the Project, the Trustee shall hold the Net Insurance Proceeds referable thereto until it is notified in writing as to whether the Trust intends to exercise such option or until the time within which the Trust must exercise such option has expired without the Trust having given the notice provided for in said Section 11.2. If the Trustee is so notified by the Trust that it intends to exercise such option, the Authority and the Trustee (acting on behalf of the Authority) shall take such action as may be necessary under the provisions of Article VI hereof to call for redemption all the outstanding Bonds on the date specified by the Trust pursuant to said Section 11.2, and the Trustee shall continue to hold such proceeds until the date fixed for redemption of the Bonds pursuant to said Section 11.2, and, any provision hereof to the contrary notwithstanding, upon receipt of the moneys (if any) payable by the Trust pursuant to said Section 11.2, shall segregate and set aside in the Bond Fund (out of the moneys therein, moneys in the Construction Fund and the Redemption Fund, the Net Insurance Proceeds and said moneys payable by the Trust, in the order named) moneys sufficient to provide for full payment and retirement of the Bonds (as specified in Section 11.2 of the Lease). Any balance of said moneys remaining after all the outstanding Bonds have been fully paid and retired shall be paid to the Trust.

If the Trustee is notified by the Trust that it does not intend to exercise such option or if the period within which the Trust must notify the Authority and the Trustee of its intention to exercise such option expires without the Trust having given any such notice to the Trustee, the Trustee shall then apply the Net Insurance Proceeds in the manner provided in the first sentence of this section, in which case the Construction Fund shall be reestablished and said proceeds paid therein, to be held, disbursed, secured and invested, with the necessary changes in detail, in the same manner as is provided in Article IX hereof for moneys paid into the Construction Fund from the proceeds of the sale of the Series 2012 Bonds.

All damages or losses recovered by the Authority or the Trustee pursuant to the Title Insurance Policy or any other policy or policies of title insurance insuring the respective interests of the Authority and the Trustee in the Project Site shall be paid into the Redemption Fund promptly following receipt thereof by the Authority or the Trustee, as the case may be.


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ARTICLE XIII

EVENT OF DEFAULT AND REMEDIES OF 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) a Lease Default;

(c) 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, and (ii) any other agreement, covenant or condition with respect to which its failure to perform or observe is the result of a Lease Default] after sixty (60) days’ written notice to it of such failure given by the 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;

(d) 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; or

(e) the filing of any petition by or against the Authority under the United States Bankruptcy Code or under any other similar law or statute, the 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 or the State of Alabama.

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

(a) Acceleration. The Trustee may, by written notice to the Authority and to the Trust, declare the principal of and the interest accrued on all the Bonds forthwith due and payable, and thereupon they shall so be, anything herein or therein to the contrary notwithstanding.


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(b) Possession of Project. The Trustee shall have the power to require the Authority to surrender possession of the Project to it, and the Authority shall, upon demand so to do by the Trustee, forthwith surrender to the Trustee actual possession of the Project or such part or parts thereof as the Trustee may designate, and the Trustee shall take possession thereof and may wholly exclude the Authority and its agents therefrom. The Trustee shall thereafter have the power to operate, lease or otherwise control and use the Project in the manner it deems most beneficial to the Bondholders. The Trustee shall further have the power to make, at the expense of the trust estate, such repairs, replacements, alterations, additions or improvements to the Project as it may consider advisable, to collect the income therefrom and to pay all proper charges and maintenance expenses thereof, including all proper disbursements by the Trustee. The Trustee shall be under no obligation to take possession of the Project as provided in this paragraph if: (i) in its sole discretion, to do so would result in any liability on its part under any state or federal environmental laws, rules, orders or regulations; or (ii) the trust or the Authority shall fail to deliver to the Trustee an environmental survey indicating that the Project meets such environmental compliance requirements as the Trustee, in its sole discretion, shall deem acceptable.

(c) Other Remedies. The 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 enforce any obligation of the Authority or the Trust contained in the Lease or the Indenture, and the right to the appointment, as a matter of right and without regard to the sufficiency of the security afforded by the Project, of a receiver for all or any part of the Project and the earnings, rents and income therefrom. The rights here specified are to be cumulative to all other available rights, remedies or powers and shall not exclude any such.

Nothing herein contained, however, shall be construed to give any authority to the Trustee or the Holders of any of the Bonds to compel a sale of the Project or any part thereof, and no foreclosure proceedings or sale shall ever be had under the authority of this Indenture with respect to the Project or any part thereof.

If, upon the occurrence of an Event of Default, 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, to the extent legally permissible, interest on all overdue payments of principal, interest and premium (if any), and makes reimbursement of all the reasonable expenses of the Trustee, then the Trustee may, in its discretion, and shall upon the written request of the Holders of a majority in principal amount of the then outstanding Bonds, 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 Trustee may in its discretion, and shall upon the written request of the Holders of a majority in principal amount of the then outstanding Bonds, 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 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 Trustee, then and in every case the Authority, the 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 Trustee shall continue as though no such proceeding had been taken.


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Section 13.3 Application of Moneys Received from Enforcement of Rights Under the Indenture. Upon the occurrence and continuation of an Event of Default, any moneys derived by the Trustee from the leasing of the Project or from the enforcement of the Authority's rights under the Lease or from the exercise of any other right or remedy granted to the Trustee under the Indenture, together with all other funds held by it hereunder, shall, after payment of all proper costs, expenses and liabilities incurred and disbursements made by the Trustee hereunder, and all liens and charges on the Project prior to the rights of the Trustee which in the opinion of the Trustee it is advisable to pay, be applied as follows:

(a) Unless the principal of all the 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 all installments of interest then due on the Bonds, in the order of the maturity of the installments of such interest, with interest on overdue installments of interest, and, if the amount available shall not be sufficient to pay in full any particular installment plus said interest thereon, then to the payment ratably, according to the amounts due on such installments and with respect to said interest, to the Persons entitled thereto, without any discrimination or privilege;

SECOND—to the payment to the Persons entitled thereto of the unpaid principal of and premium (if any) on any of the Bonds which shall have become due (other than Bonds matured or called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), in the order of the maturity of such principal and premium, with interest on overdue installments of principal and premium (if any), and, if the amount available shall not be sufficient to pay in full all principal and premium (if any) due on any particular date, together with the aforesaid interest thereon, then to the payment of such principal and premium (if any) due on such date, together with such interest, ratably, without any discrimination or privilege; and

THIRD—the surplus, if any there be, into the Bond Fund, or in the event the Indenture Indebtedness has been fully paid, to the Authority or whomsoever may be entitled thereto.

(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 the Bonds (with interest on overdue principal and 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, ratably, according to the amounts due respectively for principal and interest, to the Persons entitled thereto without any discrimination or privilege; provided, however, that if the principal of all the Bonds shall have been declared due and payable and if such declaration shall thereafter have been rescinded under the provisions of Section 13.2 hereof, then, subject to the provisions of this subsection (b) in the event that the principal of all the Bonds shall later become or be declared due and payable, such moneys shall be applied in accordance with the provisions of subsection (a) of this section; and

SECOND—the surplus, if any there be, into the Bond Fund, or in the event the Indenture Indebtedness has been fully paid, to the Authority or to whomsoever may be entitled thereto.


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

Section 13.4 Remedies Vested In Trustee. All remedies hereunder are vested exclusively in the Trustee for the equal and pro rata benefit of all the Holders of the Bonds, unless the Trustee refuses or neglects to act within a reasonable time after written request so to act addressed to the Trustee by the Holders of a majority in principal amount of any series of the outstanding Bonds, accompanied by indemnity satisfactory to the Trustee, in which event the Holder of any of the Bonds may thereupon so act in the name and behalf of the Trustee or may so act in his own name in lieu of action by or in the name and behalf of the 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 of the Project as therein and herein expressed, 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 the Bonds expressed, shall not be impaired or affected without the consent of such Holder.

Section 13.5 Rights of the Trust 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 Trustee shall notify the Trust in writing of the occurrence of such Event of Default and the Trust shall have the right to remedy such Event of Default hereunder within sixty (60) days after such written notice, provided that the Trust is hereby authorized, to the extent permitted by law, to take such actions as may be necessary for and on behalf of the Authority to cure such Event of Default, and the Trustee shall accept performance of such actions by the Trust as performance by the Authority in such event. The exercise of the remedies set forth in Section 13.2 hereof are subject to the right of the Trust to cure such Event of Default as provided in this section.

Section 13.6 Delay No Waiver. No delay or omission by the 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 Trustee or to the Bondholders be exercised from time to time and as often as deemed expedient.


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Section 13.7 Notice to Bondholders upon Occurrence of Event of Default. If an Event of Default occurs that is known to the Trustee, or if any event or condition occurs that is known to the Trustee and that with the giving of notice of 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 thirty (30) business days after the Trustee first learns thereof, then the Trustee will, at or before the end of such period of thirty (30) business days, give written notice thereof by United States regular mail, postage prepaid, to all Holders of the Bonds at their respective addresses appearing in the records of the Trustee pertaining to the registration of the Bonds. Nothing contained in this section shall be deemed to require the Trustee to undertake independent inquiries into or investigations of the condition of the Project, the financial condition of the Trust, 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 of the passage of time or both would constitute an Event of Default.

ARTICLE XIV

CONCERNING THE TRUSTEE

Section 14.1 Acceptance of Trusts. The 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 noncompliance with the provisions hereof, its willful 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) 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 Holders of a majority in aggregate principal amount of the Bonds then outstanding, provided that the furnishing of indemnity, satisfactory to the Trustee, against its prospective liabilities and expenses by the Bondholders requesting any action by the Trustee shall be a condition precedent to the duty of the Trustee to take or continue any action which in the opinion of the Trustee would involve it in any such liabilities or expenses.

(g) Upon the occurrence of an Event of Default, the 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 Holders of a majority in aggregate principal amount of the 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 Trustee, against its prospective liabilities and expenses by the Bondholders requesting any action by the Trustee under said Section 13.2 shall be a condition precedent to the duty of the Trustee to take or continue any action under said Section 13.2 which in the opinion of the Trustee would involve it in any such liabilities or expenses. Whenever it 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 to the contrary notwithstanding.

(h) It shall be entitled to reasonable compensation for its services hereunder, including extra compensation for unusual or extraordinary services.

(i) Any action taken by the 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 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 Trustee to be held by it hereunder shall be held as trust funds until disbursed in the manner herein provided therefor. The 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 or affiliated entity, and any Eligible Certificates issued or held by it hereunder shall be deemed investments and not deposits.

(o) It shall, upon reasonable request, advise the Authority or the Trust 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 to the Trust a certificate indicating whether, to the knowledge of the Trustee, the Authority or the Trust 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) The recitals of fact herein and in the Bonds are statements by the Authority and not by the Trustee, and the 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 lien hereof. The 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.

(r) No provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(s) The Trustee shall have no obligations to file financing statements or continuation statements.

(t) The Trustee's immunities and protections from liability and its right to indemnification in connection with the performance of its duties under this Indenture shall extend to the Trustee's officers, directors, agents, attorneys and employees. Such immunities and protections and rights to indemnification, together with the Trustee's right to compensation, shall survive the Trustee's resignation or removal, the discharge of this Indenture, and final payment of the Series 2012 Bonds.

(u) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

Section 14.2 Trustee Authorized to Perform Certain Acts on Failure of Authority. Without relieving the Authority from the consequences of any default in connection therewith, the Trustee may pay any charge, including, without limitation, any tax, assessment or governmental or other charge upon any part of the Project, 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 Project prior to any rights of the 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 a reasonably safe condition, or to cause the Project to be so maintained as provided in the Lease, the 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 a reasonably safe condition, as the case may be. The 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 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 17.1 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%) in excess of the Prime 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.

Section 14.3 Trustee May Institute Suit, etc. The 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 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 14.4 Resignation and Discharge of Trustee. The Trustee may resign and be discharged of the trusts hereby created by causing written notice specifying the effective date of such resignation to be forwarded by United States first-class mail, postage prepaid, (i) to the Authority, (ii) to the Trust, and (iii) to every Holder of the Bonds. Unless the effective date of the Trustee's resignation shall coincide with the appointment of a successor Trustee by the Bondholders as herein provided, such date shall be at least thirty (30) days after the date on which notice to the Authority and the Bondholders shall have been mailed. The Trustee may at any time be removed by a written instrument signed by the Holders of a majority in principal amount of the Bonds then outstanding. If the Trustee shall resign or be removed, it shall be reimbursed for all its proper prior expenses reasonable under the circumstances.

Section 14.5 Appointment of Successor Trustee. If the Trustee shall resign, be removed, be placed by a court or governmental authority under the control of a receiver or other public officer or otherwise become incapable of acting, a successor may be appointed by a written instrument signed by the Holders of a majority in principal amount of the Bonds then outstanding and in the interim by an instrument executed by the Authority, such interim successor Trustee to be immediately and ipso facto superseded by the one appointed as above by the Holders of a majority in principal amount of the Bonds. The Authority shall cause notice of such interim appointment, in the event such is made, to be forwarded by United States registered or certified mail, postage prepaid, to every Holder of the Bonds. When the appointment of a successor Trustee, as selected by the Holders of a majority in principal amount of the Bonds then outstanding, becomes effective, the Authority shall also cause notice of that fact to be given in the manner provided above for the notice required to be given upon the appointment of an interim successor Trustee. Every successor Trustee appointed pursuant to this section shall be a trust company or bank authorized to administer trusts, and shall have, at the time of its acceptance of such appointment, capital, surplus and undivided profits of not less than \$100,000,000, if there be such an institution willing, qualified and able to accept appointment as Trustee under reasonable or customary terms.

Section 14.6 Concerning any Successor Trustee. Every successor Trustee shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting its appointment as Trustee hereunder, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the estate and title of its predecessor to the Project 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 Trustee, execute and deliver an instrument transferring to such successor Trustee all the estate and title of such predecessor to the Project and all rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in it the properties, rights, powers and duties hereby vested or intended to be vested in the Trustee, any and all such instruments

in writing shall, on request, be executed, acknowledged and delivered by the Authority. The resignation of any Trustee and the instrument or instruments removing any 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 14.7 Merger or Consolidation of Trustee. Any corporation into which the Trustee may be merged or with which it may be consolidated, or any corporation resulting from any merger or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the 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 Trustee then in office, any successor by merger or consolidation to such authenticating Trustee may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had itself authenticated such Bonds.

ARTICLE XV

SUPPLEMENTAL INDENTURES AND AMENDMENTS TO THE LEASE

Section 15.1 Supplemental Indentures without Bondholder Consent. Without the consent of or notice to any Bondholders but subject to the provisions of Section 9.1 of the Lease, the Authority and the Trustee may, at any time and from time to time, enter into such Supplemental Indentures 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) 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 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 Trustee;

(c) 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; or

(d) object to the lien of the Indenture and the pledge herein contained additional property and the revenues therefrom or to identify more precisely any of the property subject to the lien hereof.


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Section 15.2 Supplemental Indentures Requiring Bondholder Consent. In addition to those Supplemental Indentures permitted by Section 15.1 hereof, the Authority and the 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, enter into such Supplemental Indentures as shall be deemed necessary or desirable by the Authority and the 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 property mortgaged under the Indenture or the revenues pledged thereunder ranking prior to or (except for Additional Bonds) on a parity with the lien and charge thereon contained 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 15.3 Execution of Supplemental Indentures. The Authority and the Trustee recognize that under the terms of Section 9.1 of the Lease, they may not make any amendment of the Indenture or any Supplemental Indenture without the prior written consent of the Trust. Subject to such consent (if required by the terms of said Section 9.1), the Trustee is authorized to join with the Authority in the execution of any Supplemental Indenture authorized under the provisions of this Article XV and to make the further agreements and stipulations which may be contained therein, but the 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 XV, 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 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 15.4 Amendments to the Lease. With the prior written consent of the Trustee but without the consent of or notice to any Bondholders, the Authority and the Trust may

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

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(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 judgment of the Trustee, adversely affect the interests of the Bondholders.

The Authority and the Trust may, at any time and from time to time, with the written consent of the Trustee 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 Trust, 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, and (iii) any other change that, in the judgment of the Trustee, might adversely affect the interests of the Bondholders.

Section 15.5 Notices with Respect to Certain Changes in the Indenture or the Lease. If at any time the Authority shall request the 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 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 to be forwarded by United States first-class mail, postage prepaid, to every Holder of the Bonds. 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, and shall state that copies thereof are on file at the principal office of the Trustee for inspection by all Bondholders.

If, within sixty days (or such longer period as shall be prescribed by the Trustee) following the date on which the notice to Bondholders was 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, 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 Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof.

Section 15.6 Discretion of the Trustee. In the case of (i) any Supplemental Indenture authorized by either Section 15.1 or 15.2 hereof or (ii) any amendment, change or modification to the Lease authorized by Section 15.4 hereof, the 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 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.


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ARTICLE XVI

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE INDENTURE

Section 16.1 Satisfaction of Indenture. Whenever 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, the Trustee shall, upon written direction of and at the expense of the Authority, cancel, satisfy and discharge the lien of the Indenture and shall execute and deliver to the Authority such deeds and instruments as shall be requisite to satisfy of record the lien hereof and to reconvey and transfer the property mortgaged hereunder to the Authority. 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 Trustee for payment thereof the entire amount (principal, interest and premium, if any) due or to become 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 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).

In addition, any of the Bonds shall, for all purposes of the Indenture (except as may herein be expressly provided otherwise), be considered as fully paid if the Trustee shall be provided with each of the following:

(c) a trust agreement between the Authority and the 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, which said trust fund shall consist of (i) Federal Securities 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 Securities which together will produce funds sufficient for such purpose, or (iii) cash sufficient for such purpose; provided, however, that said trust agreement shall require all cash held on deposit in such trust fund to be kept continuously secured in the manner provided in Section 10.5 hereof, but with the further condition that only Federal Securities shall qualify as collateral security for such cash so held on deposit;

(d) 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);

(e) a certificate of a firm of certified public accountants stating that, if the principal of and the interest on the Federal Securities (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; and

(f) an opinion of Bond Counsel to the effect that the execution and effectuation of the trust agreement referred to in the preceding subparagraph (1) will not result in subjecting the interest income on such Bonds to federal income taxation.

The Trustee is hereby irrevocably authorized to give notice, in accordance with the applicable requirements of Article VI hereof, of any redemption of Bonds to be effected in connection with arrangements made pursuant to the provisions of this Section 16.1.

Section 16.2 Destruction of Surrendered Bonds. Upon the surrender to the Trustee of any mutilated Bonds, or Bonds transferred or exchanged for other Bonds, or Bonds redeemed or paid at maturity by the Authority, such Bonds shall forthwith be cancelled and destroyed by the Trustee, which shall deliver its certificate confirming such destruction to the Authority and to the Trust.

Section 16.3 Payment to the Trust 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 16.1 hereof, the Trustee shall, if the Lease has not theretofore been terminated as a result of a Lease Default, pay to the Trust any surplus moneys then remaining in any of the special trust funds created in the Indenture, but not including any amounts held by the Trustee for the payment of the principal of and the interest and premium (if any) on the Bonds.

ARTICLE XVII

MISCELLANEOUS PROVISIONS

Section 17.1 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 interest and premium (if any) on the Bonds and the performance and observance of all agreements and covenants, warranties and representations of the Authority contained in the Indenture and the Bonds shall be limited to the proper application of the revenues and receipts derived from the leasing 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 any political subdivision of said state shall in any manner be liable for the payment of the principal of or the interest or premium (if any) on the 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 officers, employees or agents 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 directors, 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 17.2 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 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 Trustee shall not be required to pay interest). 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 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 17.3 Payments 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 not be a Business Day, then payment of such principal, interest or 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, as the case may be.

Section 17.4 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 17.5 Limitation of Rights. Nothing herein or in the Bonds shall confer any right on anyone other than the Authority, the Trustee, the Trust and the Holders of the Bonds.

Section 17.6 Manner of Proving Ownership of Bonds. The ownership at any given time of any Bond may be proved by a certificate of the Trustee stating that on the date stated the Bond described was registered on its books in the name of the stated party.

Section 17.7 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 Trust, provided that in connection with the grant of each such easement, permit or right-of-way the Trustee is furnished a certificate signed by an Authorized Trust 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 17.8 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 17.9 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 American Village Public
Educational Building Authority
of the City of Montevallo
c/o City Hall
545 Main Street
Montevallo, Alabama 35115
Attention: Chairman

(b) If to the Trust:

The Citizenship Trust
Post Office Box 6
Montevallo, Alabama 35115
Attention: Executive Director

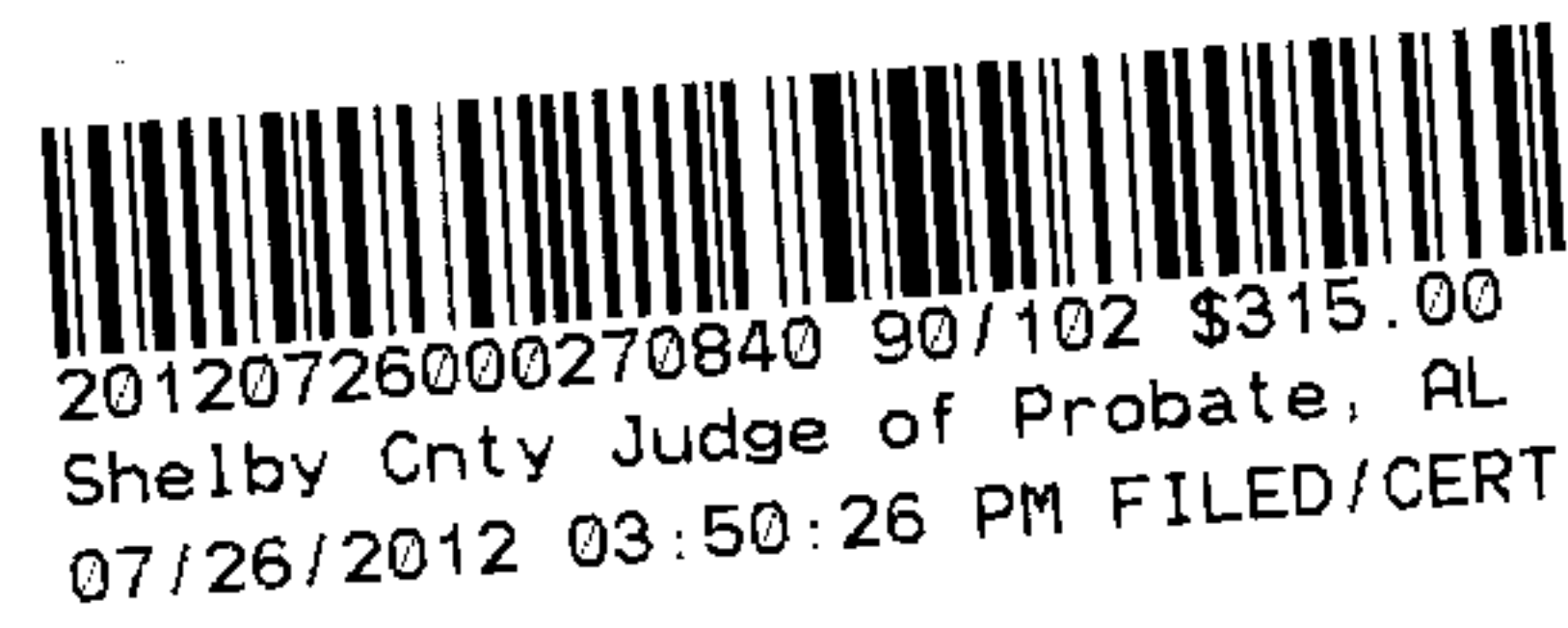
(c) If to the Trustee:

Regions Bank
1901 Sixth Avenue North, 28th Floor
Birmingham, Alabama 35203
Attention: Corporate Trust Department

Any of the above-mentioned parties may, by like notice, designate further or different addresses to which subsequent notices shall be sent. The 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 Trust; provided, however, that the failure of either the Authority or the Trustee to send a copy of any such notice to the Trust shall not invalidate such notice or render it ineffective unless notice to the Trust 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 17.10 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 17.11 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 corporate name and behalf by its Chairman, has caused its corporate seal to be hereunto affixed and has caused this Indenture to be attested by its Secretary, and the Trustee, to evidence its acceptance of the trusts hereby created, has caused this Indenture to be executed in its name and behalf 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 Indenture to be dated as of July 1, 2012, although actually delivered on July 26, 2012.

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

By: _____

Its Chairman

ATTEST:

Its Secretary

[SEAL]

REGIONS BANK,
Trustee

By: _____

Its Authorized Officer

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STATE OF ALABAMA)
 :
SHELBY COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Richard Anderson, whose name as Chairman 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 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 25th day of July, 2012.

[NOTARIAL SEAL]

Nancy G. Land
Notary Public

My Commission Expires: 9/17/13

STATE OF ALABAMA)
 :
SHELBY COUNTY)

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Lyn A. Cone whose name as Vice President of REGIONS 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 25th day of July, 2012.

[NOTARIAL SEAL]

Nancy G. Land
Notary Public

My Commission Expires: 9/17/13

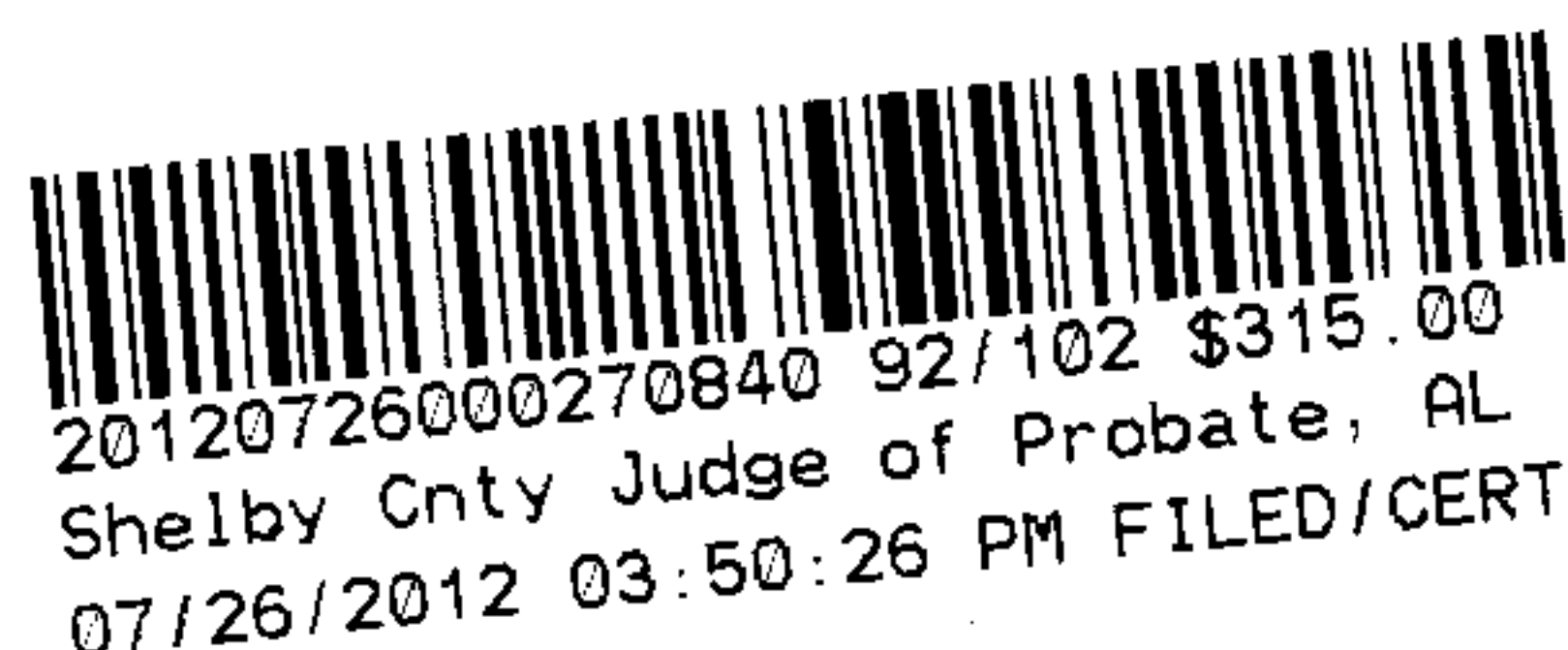


EXHIBIT A
to
MORTGAGE AND TRUST INDENTURE
between
THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO
and
REGIONS BANK
dated as of July 1, 2012

PARCEL I:

Beginning at the NE corner of Section 10, Township 22 South, Range 3 West; thence North 89 degrees 45 minutes 37 seconds West along the North line of said section a distance of 299.38 feet to a point; thence South 13 degrees 01 minute 00 seconds West a distance of 2700.64 feet to a point that is 15.00 feet North of the centerline of Quinn Lane; thence South 66 degrees 04 minutes 55 seconds East parallel with said Quinn Lane a distance of 640.82 feet to a point, said point being on the westerly right of way line of Highway 119 (Montevallo-Ashville Road); thence North 32 degrees 40 minutes 07 seconds East along said right of way line a distance of 383.02 feet to a point; thence North 57 degrees 19 minutes 53 seconds West a distance of 20.00 feet to a point; thence North 32 degrees 40 minutes 07 seconds East a distance of 408.30 feet to a point of curve to the right through a central angle of 08 degrees 06 minutes 07 seconds an arc distance of 239.99 feet a chord bearing of North 36 degrees 43 minutes 11 seconds East a distance of 239.79 feet to a point; thence South 49 degrees 13 minutes 46 seconds East a distance of 20.00 feet to a point; thence around a curve to the right through a central angle of 30 degrees 06 minutes 18 seconds an arc distance of 886.14 feet a chord bearing of North 55 degrees 54 minutes 23 seconds East a distance of 875.87 feet to a point; thence North 18 degrees 57 minutes 28 seconds West a distance of 20.00 feet to a point; thence North 71 degrees 02 minutes 32 seconds East a distance of 312.15 feet to a point of a curve to the left through a central angle of 01 degree 45 minutes 37 seconds an arc distance of 48.45 feet a chord bearing of North 70 degrees 09 minutes 44 seconds East a distance of 48.45 feet to a point; thence North 21 degrees 08 minutes 18 seconds West leaving said right of way a distance of 811.46 feet to a point; thence North 66 degrees 05 minutes 09 seconds East a distance of 153.39 feet to a point; thence North 28 degrees 47 minutes 32 seconds West a distance of 299.21 feet to a point; thence North 10 degrees 35 minutes 26 seconds East a distance of 315.07 feet to a point on the North line of Section 11, Township 22 South, Range 3 West; thence North 89 degrees 04 minutes 10 seconds West along said North line a distance of 1058.21 feet to the point of beginning; being situated in Shelby County, Alabama.

PARCEL II:

Begin at the point where the northerly boundary of Section 11, Township 22 South, Range 3 West, intersects the West boundary of the Montevallo-Siluria Public Road, run South along the West boundary of said public road 150 feet; thence run West and perpendicular to said public road 300 feet; thence North and parallel to said public road 150 feet, more or less, to the North boundary line of said Section 11; thence East along the North boundary line of said Section 11 to the point of beginning; being situated in Shelby County, Alabama.


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PARCEL III:

Commence at the NW corner of Section 11, Township 22 South, Range 3 West; thence South 89 degrees 04 minutes 10 seconds East along the North line of said Section 11, a distance of 1058.21 feet to the point of beginning; thence South 10 degrees 35 minutes 26 seconds West a distance of 315.07 feet to a point; thence South 28 degrees 47 minutes 32 seconds East a distance of 299.21 feet to a point; thence South 66 degrees 05 minutes 09 seconds West a distance of 153.39 feet to a point; thence South 21 degrees 08 minutes 18 seconds East a distance of 811.46 feet to a point, said point being on the westerly right of way line of Highway 119 (Montevallo-Ashville Road), said point also on a curve to the left through a central angle of 13 degrees 59 minutes 20 seconds an arc distance of 385.05 feet a chord bearing of North 62 degrees 07 minutes 16 seconds East a distance of 384.10 feet to a point; thence North 34 degrees 42 minutes 25 seconds West a distance of 15.00 feet to a point; thence around a curve to the left through a central angle of 20 degrees 59 minutes 57 seconds an arc distance of 572.51 feet a chord bearing of North 44 degrees 47 minutes 37 seconds East a distance of 569.32 feet to a point; thence South 55 degrees 42 minutes 22 seconds East a distance of 35.00 feet to a point; thence around a curve to the left through a central angle of 25 degrees 14 minutes 59 seconds an arc distance of 703.82 feet a chord bearing North 21 degrees 40 minutes 09 seconds East a distance of 698.14 feet to a point; thence North 89 degrees 04 minutes 48 seconds West leaving said westerly right of way a distance of 300.00 feet to a point; thence North 06 degrees 21 minutes 06 seconds East a distance of 150.00 feet to a point; thence North 89 degrees 04 minutes 10 seconds West, a distance of 976.83 feet to the point of beginning; being situated in Shelby County, Alabama.

All being situated in Shelby County, Alabama.

LESS AND EXCEPT that parcel conveyed to The Citizenship Trust, a nonprofit corporation dated February 23, 2001 and recorded in Inst. No. 2001-06806 in the Probate Office of Shelby County, Alabama, described as follows:

Commence at the northwest corner of the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 11, Township 22 South, Range 3 west; thence run easterly along the North line of said Section 2,335.05 feet to a point on the westerly right of way line of Alabama Highway #119, said point being on a curve to the right, said curve to the right having a radius of 1,597.10 feet and being subtended by a central angle of 30 degrees 37 minutes 51 seconds; thence turn an angle to the right of 108 degrees 12 minutes 53 seconds to chord of said curve to the right and run southeasterly along the arc of said curve 853.82 feet to the end of said curve; thence turn an angle to the right of 105 degrees 18 minutes 55 seconds from chord and run northwesterly 35.00 feet to the beginning of a curve to the right, said curve to the right having a radius of 1,562.10 feet and being subtended by a central angle of 20 degrees 59 minutes 57 seconds; thence turn an angle to the left of 79 degrees 30 minutes 01 seconds to chord of said curve to the right and run southwesterly along the arc of said curve 572.51 feet to the end of said curve; thence turn an angle to the left of 79 degrees 30 minutes 03 seconds from chord and run southeasterly 15.00 feet to the beginning of a curve to the right, said curve to the right having a radius of 1,577.10 feet and being subtended by a central angle of 15 degrees 44 minutes 57 seconds; thence turn an angle to the right of 97 degrees 52 minutes 30 seconds to chord of said curve to the right and run southwesterly along the arc of said curve 433.50 feet to the end of said curve; thence at tangent to said curve run southwesterly 312.15 feet; thence turn an angle to the left of 90 degrees 00 minutes 00 seconds and run southwesterly 20.00 feet to the beginning of a curve to the left, said curve to the left having a radius of 1,677.21 feet and being subtended by a central angle of 7 degrees 02 minutes 39 seconds; thence turn an angle to the right of 86 degree 28 minutes 41 seconds to chord of said curve to the left and run southwesterly along the arc of said curve 206.20 feet; thence turn an angle to the right of 84 degrees 17 minutes 07 seconds from chord and run Northwesterly 335.17 feet; thence turn an angle to the right of 86 degrees 35 minutes 36 seconds and run northeasterly 260.50 feet; thence turn an angle to the left of 89 degrees 58 minutes 04 seconds and run northwesterly 279.71 feet; thence turn an angle to the right of 90 degrees 00 minutes 00 seconds and run northeasterly 37.61 feet to the point of beginning; thence continue along the last described course 201.00 feet; thence turn an angle to the right of 90 degrees 00 minutes 00 seconds and run

southeasterly 65.00 feet; thence turn an angle to the left of 90 degrees 00 minutes 00 seconds and run northeasterly 42.00 feet; thence turn an angle to the right of 90 degrees 00 minutes 00 seconds and run southeasterly 135.85 feet to the beginning of a curve to the right, said curve to the right having a radius of 309.99 feet and being subtended by a central angle of 25 degrees 06 minutes 56 seconds; thence turn an angle to the right of 83 degrees 00 minutes 11 seconds to chord of said curve to the right and run southwesterly along the arc of said curve 135.88 feet to the end of said curve to the right and the beginning of another curve to the left, said curve to the left having a radius of 168.43 feet and being subtended by a central angle of 48 degrees 36 minutes 53 seconds; thence turn an angle to the right of 45 degrees 02 minutes 32 seconds from chord to chord of said curve to the left and run northwesterly along the arc of said curve 142.91 feet to the end of said curve; thence turn an angle to the right of 51 degrees 57 minutes 17 seconds from chord and run northwesterly 131.81 feet to the point of beginning; being situated in Shelby County, Alabama.

PARCEL IV:

A parcel of land lying in the East ½ of Section 10, Township 22 South, Range 3 West, Shelby County, Alabama, being more particularly described as follows:

Commencing at a found 2-inch pipe at the Northeast corner of Section 10, Township 22 South, Range 3 West, Shelby County, Alabama, and run North 88 degrees 05 minutes 49 seconds West along the North line of said Section for a distance of 299.59 feet to the point of beginning; thence continue North 88 degrees 05 minutes 49 seconds West along said North section line for a distance of 1706.76 feet; thence leaving said North section line run South 08 degrees 17 minutes 34 seconds East for a distance of 1928.90 feet; thence run South 06 degrees 53 minutes 49 seconds West for a distance of 561.21 feet to a point in the centerline of Killough Mill Road; thence run South 76 degrees 13 minutes 16 seconds East along said centerline for a distance of 284.79 feet; thence run South 76 degrees 02 minutes 05 seconds East along said centerline for a distance of 222.22 feet; thence run South 75 degrees 01 minutes 15 seconds East along said centerline for a distance of 199.60 feet; thence run South 70 degrees 48 minutes 51 seconds East along said centerline for a distance of 68.55 feet; thence turn South 66 degrees 31 minutes 30 seconds East along said centerline for a distance of 51.73 feet; thence leaving said centerline run North 14 degrees 53 minutes 00 seconds East a distance of 2716.52 feet back to the point of beginning.


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Shelby Cnty Judge of Probate, AL
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EXHIBIT B
to
MORTGAGE AND TRUST INDENTURE
between
THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO
and
REGIONS BANK
dated as of July 1, 2012

THE AMERICAN VILLAGE PUBLIC EDUCATIONAL
BUILDING AUTHORITY OF THE CITY OF MONTEVALLO
(THE ALABAMA VETERANS LIVING LEGACY PROJECT)

REQUISITION

TO: REGIONS BANK, as Trustee under the Mortgage and Trust Indenture dated as of July 1, 2012, from The American Village Public Educational Building Authority of the City of Montevallo, pertaining to Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2012-A, Series 2012-B, Series 2012-C and Series 2012-D

As depository, custodian and disbursing agent for the American Village Citizenship Trust Project Construction Fund (the "Construction Fund") created by that certain Mortgage and Trust Indenture dated as of July 1, 2012 (the "Indenture"), from The American Village Public Educational Building Authority of the City of Montevallo (the "Authority"), providing for the issuance of Revenue Bonds (The American Village Citizenship Trust Project), Series 2012-C and Series 2012-D (the "Series 2012 Bonds"), you are hereby requested to pay, out of the moneys on deposit in the Construction Fund and pursuant to the provisions of Section 9.2 of the Indenture, the sum of _____ Dollars (\$ _____) to _____

whose address is _____
for the purpose of paying the following Project Improvement Costs: _____

_____.

Any term used in this Requisition which is not herein defined shall have the same meaning as is give to such term in the Indenture.

In connection with the Project Improvement Costs hereby requested to be paid, the undersigned hereby certifies on behalf of The Citizenship Trust (the "Citizenship Trust"), as follows:

(1) The purpose for which the payment hereby requested is to be expended is a purpose for which Construction Fund moneys are authorized in the Indenture to be expended.

(2) No Lease Default or Event of Default has occurred and is continuing.

(3) The payment hereby requested has not formed the basis for any previous payment out of moneys held in the Construction Fund or for any previous payment out of the proceeds derived by the Authority from the sale of the Series 2012 Bonds.

*(4) The labor, services or materials for which payment is hereby requested are located on, or are referable to, the Project Site.

(5) The undersigned has not received notice of any mechanic's, materialmen's or other liens or right to liens or obligations (other than those being contested in good faith) that should be satisfied or discharged before payment hereof.

(6) The payment requested in this Requisition does not include any amount that is entitled to be retained under any holdbacks or retainages provided for in any agreement.

**(7) The items of Project Equipment for which payment is hereby requested are physically located on the Project Site and are in good condition or such payment, together with any amount heretofore paid out of the Construction Fund on account of such Project Equipment, represents no more than progress payments for such equipment which have been substantiated to the Citizenship Trust's satisfaction.

*** (8) _____ percent of the amount to be paid pursuant to this Requisition will be used for the payment of Project Improvement Costs not constituting Qualifying Project Improvement Costs.

(9) The payment requested in this Requisition will not result, as of the making of such payment, in the use for any purpose other than the payment of Qualifying Project Improvement 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 2012 Bonds.

The undersigned hereby further certifies that he is an "Authorized Trust Representative" designated pursuant to the Indenture and has read and is familiar with the provisions of the Indenture to such extent as is necessary to enable him to make the certifications hereinabove made on behalf of the Citizenship Trust.

DATED this _____ day of _____, 201____.

THE CITIZENSHIP TRUST

By: _____
As an Authorized Trust
Representative as Aforesaid

* Applicable only if Requisition relates to the cost of labor, services or materials incurred in connection with the construction of buildings and other improvements constituting part of the Project. Otherwise, it should be crossed out.

** Applicable only if Requisition relates to the acquisition of Project Equipment. Otherwise, it should be crossed out.

*** Applicable only if any portion of the amount to be paid pursuant to this Requisition will be used for the payment of Project Improvement Costs not constituting Qualifying Project Improvement Costs. Otherwise, it should be crossed out.

EXHIBIT C
to
MORTGAGE AND TRUST INDENTURE
between
**THE AMERICAN VILLAGE PUBLIC
EDUCATIONAL BUILDING AUTHORITY
OF THE CITY OF MONTEVALLO**
and
REGIONS BANK
dated as of July 1, 2012


20120726000270840 98/102 \$315.00
Shelby Cnty Judge of Probate, AL
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**THE AMERICAN VILLAGE PUBLIC EDUCATIONAL BUILDING
AUTHORITY OF THE CITY OF MONTEVALLO, ALABAMA
(THE ALABAMA VETERANS LIVING LEGACY PROJECT)**

consisting of:

**\$5,185,000 REVENUE REFUNDING BONDS, SERIES 2012-A
\$3,350,000 REVENUE REFUNDING BONDS, SERIES 2012-B
\$230,000 REVENUE REFUNDING BONDS, SERIES 2012-C
\$8,980,000 REVENUE BONDS, SERIES 2012-D**

FUNDING MEMORANDUM

I. Sources and Uses of Funds

	Series 2012-A	Series 2012-B	Series 2012-C	Series 2012-D	Total
Sources of Funds					
Par Amount of Bonds	\$5,185,000.00	\$3,350,000.00	\$230,000.00	\$ 8,980,000.00	\$17,745,000.00
Reoffering Premium	6,272.55	148,744.15	1,940.70	-	156,957.40
Original Issue Discount (OID)	-	-	-	(105,631.10)	(105,631.10)
Bond Proceeds	5,191,272.55	3,498,744.15	231,940.70	8,874,368.90	17,796,326.30
Equity Contributions	94,000.00	19,750.00	5,000.00	3,420,000.00	3,538,750.00
Transfers from Series 2006 Debt Service Reserve Fund	-	632,040.78	-	-	632,040.78
Transfers from Prior Debt Service Funds	136,817.63	57,461.19	-	-	194,278.82
Total Sources	\$5,422,090.18	\$4,207,996.12	\$236,940.70	\$12,294,368.90	\$22,161,395.90
Uses of Funds					
Deposit to Escrow Fund - Bond Proceeds	\$5,085,739.35	\$3,232,614.35	-	-	\$8,318,353.70
Deposit to Escrow Fund - Transfer from Prior Debt Service Funds	136,817.63	57,461.19	-	-	194,278.82
Deposit to Escrow Fund - Transfer from Series 2006 Debt Service Reserve Fund	-	632,040.78	-	-	632,040.78
Total Deposit to Escrow Fund	5,222,556.98	3,922,116.32	-	-	9,144,673.30
Deposit to Project Construction Fund	-	-	-	\$ 7,423,937.00	7,423,937.00
Regions Debt Payoff - Bond Proceeds	-	-	-	777,803.07	777,803.07
Regions Debt Payoff - Equity Contribution	-	-	-	3,370,000.00	3,370,000.00
Total Regions Debt Payoff	-	-	-	4,147,803.07	4,147,803.07
Deposit to Debt Service Reserve Fund - Bond Proceeds	43,014.22	205,371.25	\$229,042.66	512,685.63	990,113.76
Deposit to Debt Service Reserve Fund - Equity Contribution	34,000.00	-	2,000.00	-	36,000.00

Total Deposit to Debt Service					
Reserve Fund	77,014.22	205,371.25	231,042.66	512,685.63	1,026,113.76
Underwriter's Discount - Bond Proceeds	62,220.00	40,200.00	2,760.00	107,760.00	212,940.00
Costs of Issuance - Bond Proceeds	298.98	20,558.55	138.04	52,183.20	73,178.77
Costs of Issuance - Equity Contribution	60,000.00	19,750.00	3,000.00	50,000.00	132,750.00
Total Costs of Issuance	60,298.98	40,308.55	3,138.04	102,183.20	205,928.77
Total Uses	\$5,422,090.18	\$4,207,996.12	\$236,940.70	\$12,294,368.90	\$22,161,395.90

II. Flow of Funds

1. Prior to 3:00 p.m. on Wednesday, July 25, 2012, the Citizenship Trust (the "Trust") will wire \$3,538,750 to Regions Bank (the "Trustee") representing the equity contribution. The wire instructions are as follows:

Bank Name: Regions Bank
 Birmingham, Alabama
 ABA: 062005690
 AC#: 0017541387 Wealth Management Operations
 RE: American Village attn: Lyn Cone

2. Prior to 8:00 a.m. on Thursday, July 26, Crews & Associates, Inc. (the "Underwriter") will wire a total of \$17,583,386.30 for the purchase of the Bonds. The purchase price is calculated as follows:

	Series 2012A	Series 2012B	Series 2012C	Series 2012D	Summary
Par Amount of Bonds	5,185,000.00	3,350,000.00	230,000.00	8,980,000.00	17,745,000.00
Reoffering Premium (Discount)	6,272.55	148,744.15	1,940.70	(105,631.10)	\$51,326.30
Less: Underwriter's Discount	62,220.00	40,200.00	2,760.00	107,760.00	212,940.00
Purchase Price	5,129,052.55	3,458,544.15	229,180.70	8,766,608.90	17,583,386.30

The purchase price will be transferred as follows:

\$8,318,353.70 to US Bank (the "Escrow Agent") representing the proceeds of the Bonds as follows: \$5,085,739.35 for Series 2012-A Bonds and \$3,232,614.35 for Series 2012B-Bonds.

The wire instructions are as follows:

Bank Name: U.S. Bank N.A.
 ABA: 091000022
 BNF USBANK CT SOUTHEAST WIRE CLRG
 Beneficiary Account Number: A/C 173103781824
 Beneficiary Account Address: 777 E. Wisconsin Avenue
 Milwaukee, WI 53202-5300
 OBI The American Village
 Ref Series 2003A (2006A)

\$9,265,032.60 to the Trustee representing the proceeds of the Bonds as follows: \$43,313.20 for Series 2012-A Bonds, \$225,929.80 for Series 2012-B Bonds, \$229,180.70 for Series 2012-C Bonds and \$8,766,608.90 for Series 2012-D Bonds.


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The wire instructions are as follows:

Bank Name: Regions Bank, Birmingham, Alabama
 ABA: 062005690
 AC#: 0017541387 Wealth Management Operations
 RE: American Village attn: Lyn Cone

3. Upon verification from the Trustee and the Escrow Agent of receipt of the above referenced funds, the Underwriter and Trustee will contact DTC and close the Bonds.
4. Immediately following closing of the Bonds, the Trustee will allocate the funds received as follows:

Wire from Underwriter	\$ 9,265,032.60
Wire from Trust	<u>3,538,750.00</u>
Total	12,803,782.60
Deposit to Construction Fund	7,423,937.00
Payoff of Regions Bank loans	4,147,803.07
Deposit to Debt Service Reserve Fund	1,026,113.76
Pay costs of issuance	<u>205,928.77</u>
Total	\$12,803,782.60

5. Immediately following closing of the Bonds, the Escrow Agent will be notified to redeem the Series 2003A and Series 2006A Bonds (the "Prior Bonds"). The Escrow Agent will use the \$8,318,353.70 received from the Underwriter along with \$632,040.78 on deposit in the Series 2006A Debt Service Reserve Fund and \$194,278.82 on deposit in the Bond Fund to redeem the Prior Bonds. The payoff amounts are as follows:

Series 2003A payoff	\$5,222,556.98
Series 2006A payoff	\$3,922,116.32

6. Direct disbursement of the costs of issuance listed below (except "Miscellaneous") will be made against invoices, but without separate requisition. Other payments of costs of issuance will be made pursuant to requisitions submitted by the Trust. Direct disbursements are to be made as follows:

<u>Payee</u>	<u>Amount</u>	<u>Via</u>
Bond Counsel: Johnston Barton	\$150,500.00	Wire
Local Counsel: Wallace, Ellis, Fowler & Head	10,000.00	Mail
Trustee Counsel Fees: Maynard Cooper	5,000.00	Wire
Trustee Origination: Regions Bank	10,500.00	Debit
Title Insurance/Opinion: Shelby County Abstract	23,270.00	Mail
Phase I: Goodwyn, Mills & Cawood	2,000.00	Mail
DTC, Cusip, SIFMA, Fed Funds: Crews & Assoc., Inc.	3,750.00	Wire
Miscellaneous: (Per Requisitions)	<u>908.77</u>	Requisition
Total	\$205,928.77	

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III. Wiring and Mailing Instructions

Johnston Barton Proctor & Rose LLP Wiring Instructions

Tax I.D. Number 63-0330247
Receiving Bank: Columbus Bank & Trust Company, Columbus, GA
ABA Number: 061100606
Beneficiary Bank: First Commercial Bank Birmingham
800 Shades Creek Parkway
Homewood, Alabama 35209
(205) 868-4954
ABA Number: 062003605
Beneficiary: Johnston Barton Proctor & Rose LLP
Client Trust Account
Account Number: 106-004-344-8

Wallace, Ellis, Fowler & Head Mailing Instructions

Post Office Box 587
Columbiana, Alabama 35051

Maynard, Cooper & Gale, P.C. Wiring Instructions

General Operating Account
Regions Bank
Birmingham, Alabama
Routing #062000019
Account #0001323776
File No: 7008-164

Shelby County Abstract & Title Company, Inc. Mailing Instructions

P.O. Box 752
Columbiana, Alabama 35051

Goodwyn, Mills & Cawood Mailing Instructions

Goodwyn, Mills and Cawood, Inc.
2701 1st Avenue South, Suite 100
Birmingham, Alabama 35233
Attn: Stuart A. Blackwell

Crews & Associates, Inc. Wiring Instructions

First Security Bank/Searcy, AR
ABA 082901538
Acct #0624608 Crews & Associates
FFC: 8607000


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This Instrument Prepared By:

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Johnston Barton Proctor & Rose LLP
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569 Brookwood Village, Suite 901
Birmingham, Alabama 35209
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