

STATE OF ALABAMA       )  
JEFFERSON COUNTY       )

STATE OF ALABAMA       )  
BLOUNT COUNTY        )

STATE OF ALABAMA       )  
ST. CLAIR COUNTY       )

STATE OF ALABAMA       )  
SHELBY COUNTY         )

**NOTICE OF STATUTORY MORTGAGE LIEN  
(Senior Water Revenue Refunding Bonds, Series 2016-A)**

Notice is hereby given on and as of this 4<sup>th</sup> day October, 2016, as follows:

1. The Water Works Board of the City of Birmingham (the “Board”) has previously issued (a) its Water Revenue Bonds, Series 2009-A (the “Series 2009-A Bonds”), (b) its Water Revenue Refunding Bonds, Series 2009-B (the “Series 2009-B Bonds”), (c) its Water Revenue Refunding Bonds, Series 2010-A (the “Series 2010-A Bonds”), (d) its Taxable Water Revenue Refunding Bonds, Series 2010-B (the “Series 2010-B Bonds”), (e) its Water Revenue Bonds, Series 2011 (the “Series 2011 Bonds”), (f) its Water Revenue Refunding Bonds, Series 2012-A (the “Series 2012-A Bonds”), (g) its Water Revenue Refunding Bonds, Series 2013-A (the “Series 2013-A Bonds”), (h) its Water Revenue Bonds, Series 2013-B (the “Series 2013-B Bonds”), (i) its Water Revenue Bonds, Series 2013-B (the “Series 2013-B Bonds”), (j) its Water Revenue Bonds, Series 2015-B (the “Series 2015-B Bonds”) and (k) its Senior Water Revenue Refunding Bonds, Series 2016-A (the “Series 2016-A Bonds”) pursuant to a Trust Indenture dated as of December 1, 1998 (the “Original Senior Indenture”) between the Board (successor to the City of Birmingham, Alabama) and Regions Bank (successor trustee to U.S. Bank National Association) as trustee (the “Trustee”), as heretofore amended and supplemented, and as further amended and supplemented pursuant to a Thirteenth Supplemental Indenture dated as of October 1, 2016 (the “Supplemental Indenture”, together with the Original Senior Indenture and all prior amendments and supplements to the Original Senior Indenture, the “Indenture”) between the Board and the Trustee.

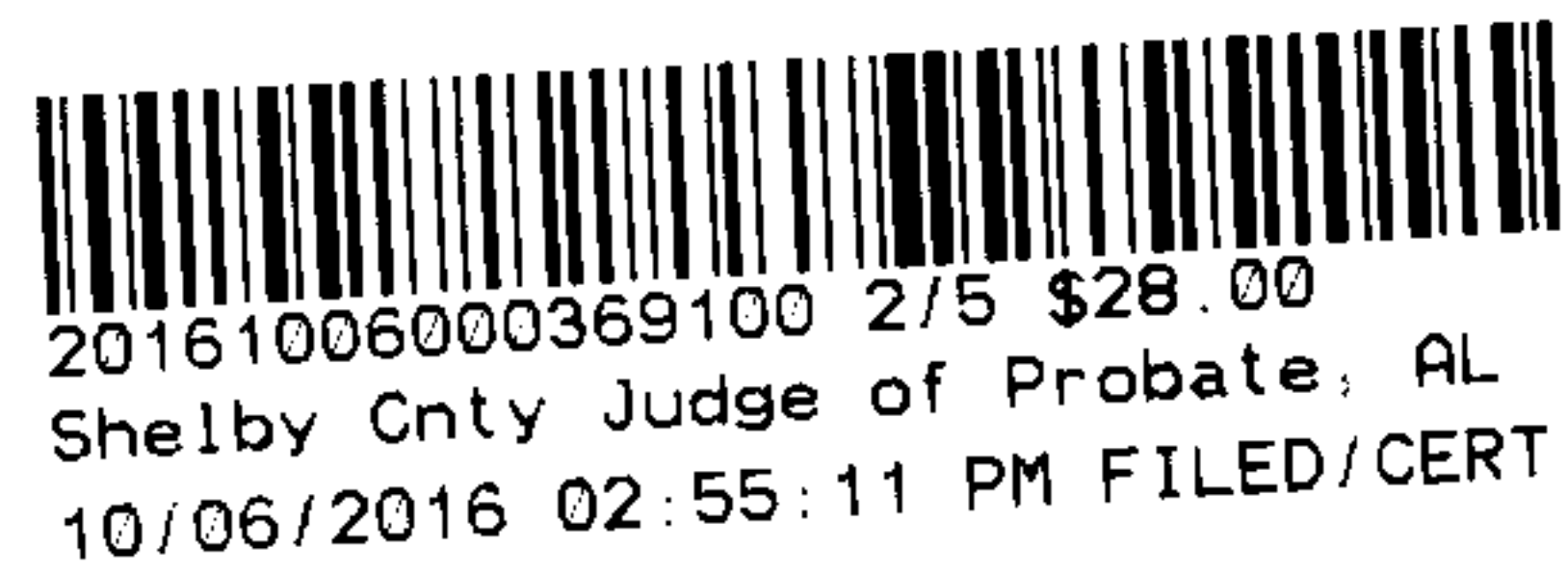
2. The waterworks plant and distribution system and sanitary sewer system of the Board (the “System”) consists of facilities owned by the Board for the production, transmission, storage and sale of water and the treatment and disposal of sewage located in Jefferson, Blount, St. Clair and Shelby Counties, including, without limitation, wells, water transmission and treatment facilities, pumping stations, water storage tanks, mains, laterals, services, meters, valves, hydrants, booster stations, wastewater treatment plants, sludge dewatering systems, pipelines and pumping stations, and appurtenant easements, facilities, rights and buildings and the real property and interests therein held in the name of the Board.

3. The Series 2016-A Bonds are issued in the aggregate principal amount of \$157,190,000. The Series 2016-A Bonds will mature in the years 2020, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2038 and 2041. All Series 2016-A Bonds with the same maturity will bear interest at the same rate. The principal amount of Series 2016-A Bonds maturing on each maturity date and the applicable rate of interest for the Series 2016-A Bonds of each maturity are set forth in **Exhibit A** attached hereto and made a part hereof.

4. By virtue of the Indenture and the laws of the State of Alabama, a statutory mortgage lien on the System, including any replacements or extensions thereof and improvements or additions thereto, has been created in favor of the registered owner or owners of the Series 2016-A Bonds issued pursuant to the Indenture, and the System shall remain subject to such statutory mortgage lien until payment in full of the principal of and interest on all such Series 2016-A Bonds, or until moneys sufficient for the payment of the principal thereof and interest thereon have been deposited in trust for the payment thereof.

5. The Board has reserved the right, pursuant to Article IX of the Original Senior Indenture, to issue Additional Parity Securities (as defined thereunder) and any such Additional Parity Securities issued in accordance with the provisions of such Indenture shall be secured by the lien of the Indenture. The Series 2016-A Bonds are special, limited obligations of the Board payable solely out of the revenues derived by the Board from the operation of the System remaining after payment of the costs of maintaining and operating the System, as more particularly specified in the Original Senior Indenture. Additional Parity Securities issued under the Indenture will be secured on a parity of lien and pledge with all Parity Securities (as defined in the Indenture), including, without limitation, the Series 2009-A Bonds, the Series 2010-A Bonds, the Series 2011 Bonds, the Series 2012-A Bonds, the Series 2013-A Bonds, the Series 2013-B Bonds, the Series 2015-B Bonds and the Series 2016-A Bonds, at any time issued thereunder.

[signature page follows]





**IN WITNESS WHEREOF**, the Board has caused this instrument to be executed in its name and on its behalf by the Chairman and attested by its Secretary-Treasurer, and its corporate seal to be hereunto affixed on and as of the date and year first above written.


**THE BIRMINGHAM WATER WORKS  
BOARD OF THE CITY OF BIRMINGHAM**

By: Ronald G. Minis  
Its Chairman

[S E A L]

Attest:

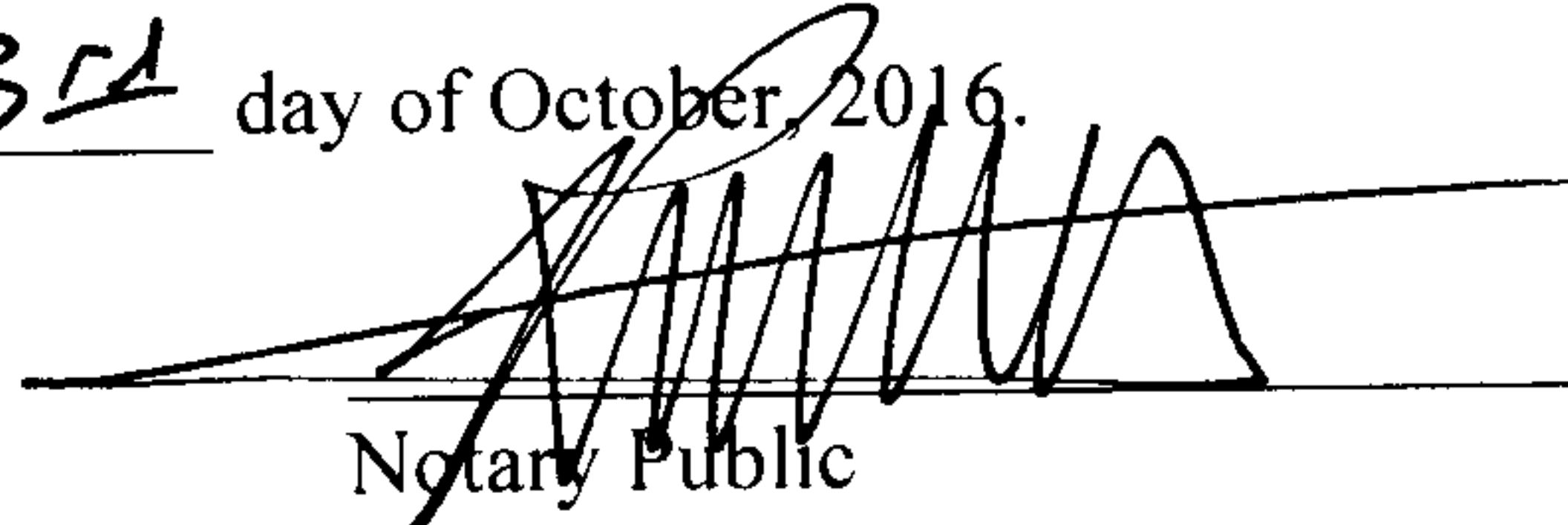
George Munches  
Its Secretary-Treasurer

  
20161006000369100 3/5 \$28.00  
Shelby Cnty Judge of Probate, AL  
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STATE OF ALABAMA            )  
JEFFERSON COUNTY         )

The undersigned notary public certifies that Ronald A. Mims, whose name as Chairman of The Water Works Board of the City of Birmingham, a public corporation, is signed to the foregoing notice, and who is known to me to be such officer, acknowledged before me on this date that, being informed of the contents of such notice, he, in his capacity as such officer and with full authority, executed the same voluntarily on the day the same bears date as and for the act of the said public corporation.


GIVEN under my hand and official seal this 3rd day of October, 2016.

  
\_\_\_\_\_  
Notary Public

NOTARIAL SEAL

**My Commission Expires 4/26/2017**

My commission expires: \_\_\_\_\_


  
20161006000369100 4/5 \$28.00  
Shelby Cnty Judge of Probate, AL  
10/06/2016 02:55:11 PM FILED/CERT

This instrument prepared by:

Yvonne Green Davis, Esquire  
Yvonne Green Davis, P.C.  
420 20<sup>th</sup> Street North  
Wells Fargo Tower, Suite 2200  
Birmingham, Alabama 35203-2618  
(205) 379-1102

Exhibit A

| Principal Year of<br>Maturity | Applicable<br>Amount Maturing | Interest<br>Rate |
|-------------------------------|-------------------------------|------------------|
| 2020                          | \$2,365,000                   | 5.00%            |
| 2022                          | 3,025,000                     | 5.00             |
| 2023                          | 3,185,000                     | 5.00             |
| 2024                          | 3,350,000                     | 5.00             |
| 2025                          | 3,520,000                     | 5.00             |
| 2026                          | 3,700,000                     | 5.00             |
| 2027                          | 7,595,000                     | 5.00             |
| 2028                          | 7,990,000                     | 5.00             |
| 2029                          | 8,395,000                     | 5.00             |
| 2030                          | 4,560,000                     | 5.00             |
| 2031                          | 4,790,000                     | 5.00             |
| 2032                          | 9,765,000                     | 5.00             |
| 2033                          | 10,270,000                    | 5.00             |
| 2034                          | 10,735,000                    | 4.00             |
| 2035                          | 11,175,000                    | 4.00             |
| 2036                          | 11,635,000                    | 4.00             |
| 2037                          | 12,110,000                    | 4.00             |
| 2038                          | 12,605,000                    | 4.00             |
| 2041                          | 26,420,000                    | 4.00             |

  
20161006000369100 5/5 \$28.00  
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