

**FIRST SUPPLEMENTAL MORTGAGE AND TRUST INDENTURE** between **THE AMERICAN VILLAGE PUBLIC EDUCATIONAL BUILDING AUTHORITY OF THE CITY OF MONTEVALLO**, a public corporation and instrumentality under the laws of the State of Alabama (herein called the "Authority"), and **REGIONS BANK**, an Alabama banking corporation in its capacity as Trustee under that certain Mortgage and Trust Indenture of the Authority dated as of July 1, 2012 (said Alabama banking corporation in such capacity, as well as any successor trustee under said Mortgage and Trust Indenture, being herein called the "Trustee"),


**RECITALS:**

Under and pursuant to the provisions of the aforesaid Mortgage and Trust Indenture (herein called the "Original Indenture"), the Authority has heretofore issued four series of its Revenue Bonds (The Alabama Veterans Living Legacy Project): \$5,185,000 Series 2012-A, \$3,350,000 Series 2012-B, \$230,000 Series 2012-C, and \$8,980,000 Series 2012-D (herein together called the "Series 2012 Bonds"). The Series 2012 Bonds were issued for the purposes of, among other things, refunding certain outstanding revenue bonds of the Authority and bank indebtedness related to the American Village citizenship educational facilities in the City of Montevallo, Alabama, and financing a portion of the costs of acquiring, constructing and equipping a new land and facilities at American Village (the "Project"). Under and pursuant to a Lease Agreement dated as of July 1, 2012 (herein called the "Original Lease"), the Authority has leased the Project to The Citizenship Trust, an Alabama nonprofit corporation (herein called the "Trust").

Simultaneously with the execution and delivery hereof, the Authority issuing (i) \$2,345,000 principal amount of its Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-A (herein called the "Series 2017-A Bonds"), and (ii) ) \$75,000 principal amount of its Taxable Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-B (herein called the "Series 2017-B Bonds") in order to finance , among other things, a portion of the costs of acquiring, constructing and installing improvements to the Project and cost of issuance of the Series 2017-A Bonds and the Series 2017-B Bonds, which are herein together called the "Series 2017 Bonds." The Series 2017 Bonds are being issued under the Original Indenture, as supplemented and amended by this First Supplemental Mortgage and Trust Indenture (herein called the "First Supplemental Indenture"). Simultaneously herewith, the Authority and the Trust are entering into a First Supplemental Lease Agreement dated as of June 1, 2017 (the "First Supplemental Lease"), which provides, among other things, for the payment by the Trust of rentals sufficient to pay when due the principal of and the interest on the Series 2017 Bonds.

Under the provisions of Article VIII of the Original Indenture, the Authority has reserved the right to issue, upon compliance with the conditions precedent set forth in said Article VIII, additional bonds for the purposes of refunding any bonds outstanding under the Original Indenture (as supplemented and amended) and of financing the costs of acquiring and constructing any additions, improvements or modifications (including, without limitation, any additional buildings or equipment) to the facilities at the time forming part of the Project.

The Authority has, by proper corporate action and pursuant to the provisions of the Original Indenture, duly authorized the Series 2017 Bonds, which are to be secured by the Original Indenture (as supplemented and amended) on a parity with the Series 2012 Bonds. This First Supplemental Mortgage and Trust Indenture is executed in order to specify the details with respect to the Series 2017 Bonds.

  
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**NOW, THEREFORE,**  
**THIS FIRST SUPPLEMENTAL MORTGAGE AND TRUST INDENTURE**  
**WITNESSETH:**

It is hereby agreed among the Authority, the Trustee and the holders at any time of said Series 2017 Bonds (the holders of said Series 2017 Bonds evidencing their consent hereto by the acceptance of said Series 2017 Bonds), each with each of the others, as follows:

**ARTICLE I**  
**DEFINITIONS AND USE OF PHRASES**

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

**“Additional Bonds”** means bonds of the Authority authorized in Article VIII of the Original Indenture to be issued thereunder and secured thereby on a parity of lien and pledge with the Series 2012 Bonds and the Series 2017 Bonds.

**“Basic Rent”** means (i) the moneys payable by the Trust pursuant to the provisions of Section 5.1 of the First Supplemental 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 and the Series 2017 Bonds (other than the aforesaid moneys payable pursuant to Section 5.1 hereof), and (iii) any other moneys payable by the Trust pursuant to the Lease that are therein referred to as Basic Rent.

**“Bond Payment Date”** means each June 1 and December 1, commencing with December 1, 2017, on which any principal or interest with respect to the Series 2012 Bonds and the Series 2017 Bonds shall mature and be due and payable or on which any principal amount of the Series 2012 Bonds and the Series 2017 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 the Indenture (viz., the Series 2012 Bonds, the Series 2017 Bonds and all Additional Bonds).

**“Project Facilities”** means the Existing Project Facilities, the New Project Facilities and the Series 2017 Project Facilities. **“Tax-Exempt”** means, with respect to interest on any obligations of a state or local government, including the Series 2012 Bonds and the Series 2017 Bonds, that such interest is excludable from gross income for federal income tax purposes, whether or not such interest is includable as an item of tax preference or otherwise includable directly or indirectly for purposes of calculating other tax liabilities, including any alternative minimum tax, foreign branch profit tax or any other type of taxation other than the regular tax imposed on gross income under the Code.

**Section 1.2 New Definitions.** Unless the context clearly indicates a different meaning, the following words and phrases, as used herein, shall have the following respective meanings:

**“2017 Addition to the Project Site”** means the parcel of land described in Exhibit A attached hereto and made a part hereof.



**“Cede”** means Cede & Co., the nominee of DTC, and any successor nominee of DTC.

**“DTC”** means The Depository Trust Company, New York, New York, and its successors and assigns.

**“DTC Participants”** means those broker-dealers, banks and other financial institutions from time to time for which DTC holds Series 2017 Bonds as securities depository.

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

**“First Supplemental Lease”** means that certain First Supplemental Lease Agreement dated as of June 1, 2017, between the Authority and the Trust, as said First Supplemental Lease Agreement now exists and as it may from time to time be amended or supplemented.

**“Independent Accountant”** means a certified public accountant or firm of certified public accountants that has no continuing employment or business relationship with the Trust or the Authority which might compromise or interfere with the independent judgment of such accountant or firm of accountants in the performance of any services to be performed hereunder as an Independent Accountant.

**“Original Series 2017-A Bond Proceeds”** means the Series 2017-A Principal Proceeds plus Series 2017-A Investment Proceeds.

**“Qualifying Series 2017-A Project Improvement Costs”** means Series 2017 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.

**“Series 2017 Bonds”** means the Series 2017-A Bonds and the Series 2017-B Bonds.

**“Series 2017-A Bonds”** means the Authority’s Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-A, issued in the original aggregate principal amount of \$2,345,000.

**“Series 2017-B Bonds”** means the Authority’s Taxable Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-B, issued in the original aggregate principal amount of \$75,000.

**“Series 2017 Completion Date”** means the date on which completion of the Series 2017 Project Improvement Work and the satisfaction of the other conditions referred to in Section 4.6 of the First Supplemental Lease are certified to the Trustee and the Authority in accordance with the provisions of said Section 4.6.

**“Series 2017 Construction Documents”** means the plans and specifications, contracts with architects, engineers and contractors or construction managers for the design, construction and development of the Series 2017 Project Improvements, and the performance and payment bonds with respect to the Series 2017 Project Improvement Work.

**“Series 2017 Construction Fund”** means the Citizenship Trust Series 2017 Construction Fund created in Section 4.2 hereof.

**“Series 2017-A Determination of Taxability”** means a determination made in accordance with the provisions of Section 5.2 of the First Supplemental Lease, that the interest payable on any of the Series 2017 Bonds is not Tax-Exempt to the owner thereof.

**“Series 2017-A Event of Taxability”** means an event which causes the interest income on any of the Series 2017 Bonds to become includable in gross income for federal income tax purposes as a result of any of the conditions or circumstances set forth in Section 5.2 of the First Supplemental Lease.

**“Series 2017 Funding Memorandum”** means the Funding Memorandum attached as Exhibit A attached hereto and made a part hereof.

**“Series 2017 Official Statement”** means the Official Statement of the Authority respecting the Series 2017 Bonds.

**“Series 2017 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 Series 2017 Project Improvement Work.

**“Series 2017 Project Facilities”** means the new buildings as well as all related improvements which are to be constructed on the Project Site, as the said buildings and related improvements may at any time exist.

**“Series 2017 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 for by the Authority out of the proceeds of the Series 2017 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 equipment, 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.

**“Series 2017 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 Series 2017 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 Series 2017 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 Series 2017 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 Series 2017 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 2017 Bonds, including (without limitation) all legal, accounting, financial, underwriting, printing, recording and filing fees and expenses and the initial charge of the Trustee; (vii) interest on moneys borrowed by the Trust to pay any Series 2017 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 Series 2017 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.

**“Series 2017 Project Improvements”** means the Series 2017 Project Facilities and the Series 2017 Project Equipment.

**“Series 2017 Project Improvement Work”** means (i) the acquisition of any additional portion of the Project Site, as well as the preparation and improvement of the Project Site thereof to the extent that the Trust deems necessary or desirable in connection with the construction of the Series 2017 Project



Facilities, (ii) the planning, design and construction of the Series 2017 Project Facilities in accordance with the provisions hereof and (iii) the planning, design and acquisition of the Series 2017 Project Equipment and the installation thereof in or around the Series 2017 Project Facilities or elsewhere on the Project Site, all in accordance with the provisions hereof.

**“Series 2017 Investment Proceeds”** means the net income derived from the investment and reinvestment of proceeds of the Series 2017 Bonds (including income derived from the investment and reinvestment of previously derived income), it being understood that such net income shall consist of the aggregate interest received from investments plus any profit actually realized from the purchase of investments at a discount, less any accrued interest and any premium paid as a part of the purchase price of any investments. As used herein the term “Series 2017 Investment Proceeds” includes the net income derived from the investment of moneys transferred from the Series 2017 Construction Fund to the Bond Fund, as well as the net income derived from the investment of moneys held in the Series 2017 Construction Fund.

**“Series 2017-A Issuance Expenses”** means the expenses of issuing the Series 2017 Bonds within the meaning of Section 147(g) of the Code.

**“Series 2017-A Principal Proceeds”** means the aggregate amount (excluding accrued interest, if any) received by the Authority from the sale of the Series 2017 Bonds, less the Series 2017-A Issuance Expenses.

**“Series 2017-A Taxability Redemption Date”** means, when used with respect to any Affected Series of the Series 2017 Bonds, the date designated by the Trust and not later than ninety (90) days following the related Series 2017-A Determination of Taxability, on which all then outstanding Bonds of the Affected Series are required to be redeemed, pursuant to the provisions of clause (iii) of Section 3.5 hereof, as the result of a Series 2017-A Determination of Taxability.

**“Tax Certificate and Agreement”** means that certain Tax Certificate and Agreement entered into by the Trust and the Authority with respect to the Series 2017-A Bonds contemporaneously with the issuance thereof.

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

**Section 1.4 Definitions Contained in the Original Indenture.** Unless the context clearly indicates a different meaning, any words, terms or phrases that are used in the First Supplemental Indenture as defined terms without being herein defined shall have the meanings respectively given them in the Original Indenture if they are therein defined.

**Section 1.5 References to the Bonds and the Indenture.** The Authority and the Trustee acknowledge and agree that, from and after the issuance by the Authority of the Series 2017 Bonds, any reference in the Original Indenture or in the First Supplemental Indenture to the “Bonds” shall, unless the context clearly and unequivocally indicates otherwise, be construed to include the Series 2017 Bonds and any Additional Bonds.

The Authority and the Trustee further acknowledge and agree that, from and after the execution and delivery of the First Supplemental Indenture, any reference in the Original Indenture or in the First

Supplemental Indenture to the "Indenture" shall, unless the context clearly and unequivocally indicates otherwise, be construed to refer to the Original Indenture as supplemented and amended by the First Supplemental Indenture.

## ARTICLE II

### GRANTING CLAUSES

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

#### I

All properties constituting a part of the Project acquired since the execution of the Original Indenture;

#### II

The 2017 Addition to the Project Site;

#### III

The Series 2017 Project Facilities, 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;

#### IV

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 Series 2017 Project Equipment;

#### V

The moneys required by the First Supplemental Lease or the First Supplemental Indenture to be deposited into the Series 2017 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 Series 2017 Project Improvement Costs in accordance with the provisions of the First Supplemental Lease and the First Supplemental Indenture; and



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Series 2017 Construction Documents.

### ARTICLE III

#### THE SERIES 2017 BONDS

**Section 3.1 Authorization and Description of the Series 2017 Bonds.** Pursuant to the applicable provisions of Chapter 18 of Title 16 of the Code of Alabama 1975, and for the purposes of (i) providing long-term financing for a portion of the costs of acquiring, constructing and installing the Series 2017 Project Improvements, and (ii) paying the costs of the issuance thereof, there are hereby authorized to be issued by the Authority (i) \$ 2,345,000 in principal amount of its Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-A, and (ii) \$ 75,000 in principal amount of its Taxable Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-B. The Series 2017-A Bonds shall be dated the date of their issuance, shall be numbered from A-1 upwards in the order issued and shall be issued initially in the respective principal amounts of \$5,000 or any greater integral multiple thereof. The Series 2017-B Bonds shall be dated the date of their issuance, shall be numbered from B-1 upwards in the order issued and shall be issued initially in the respective principal amounts of \$5,000 or any greater integral multiple thereof.


The Series 2017-A 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, 2017, and on each June 1 and December 1 thereafter at the per annum rates set forth below:

<b><u>Maturity Date (December 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>
2047	\$2,345,000	4.00%

The principal of and the interest on any Series 2017-A Bond shall bear interest after their respective due dates until paid at the rate of interest borne by the principal of such Series 2017-A Bond prior to maturity. The Series 2017-A Bonds shall be initially issued and registered in the names of such Holders as shall be designated by the initial purchasers of the Series 2017-A Bonds.

The Series 2017-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, 2017, and on each June 1 and December 1 thereafter at the per annum rates set forth below:

<b><u>Maturity Date (December 1)</u></b>	<b><u>Principal Amount</u></b>	<b><u>Interest Rate</u></b>
2021	\$75,000	2.75%

  
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The principal of and the interest on any Series 2017-B Bond shall bear interest after their respective due dates until paid at the rate of interest borne by the principal of such Series 2017-B Bond prior to maturity. The Series 2017-B Bonds shall be initially issued and registered in the names of such Holders as shall be designated by the initial purchasers of the Series 2017-B Bonds.

**Section 3.2 Method of Payment of the Series 2017 Bonds.** The payment provisions of this Section 3.2 shall apply at any time unless the book-entry system of the Securities Depository shall not be in effect. The principal of the Series 2017 Bonds of either series shall be payable at the designated corporate trust office of the Trustee, upon presentation and surrender of the Series 2017 Bonds as the same become due and payable, whether at maturity or upon redemption prior to maturity, except that in the case of any Series 2017 Bond originally issued in a principal amount of not less than \$100,000, the interest on the said Series 2017 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 2017 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 2017 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 2017 Bonds on the immediately succeeding June 1 and December 1, respectively; therefore, interest on the Series 2017 Bonds shall be payable on each June 1 and December 1 to the Holders of record of the Series 2017 Bonds as of the immediately preceding record date.

**Section 3.3 Optional Redemption of the Series 2017 Bonds.** The Series 2017-A Bonds will be subject to redemption and prepayment prior to their stated maturity, at the option of the Authority (which option shall be exercisable only upon request by the Trust if at the time the Lease is still in effect and no Lease Default shall have occurred and be continuing), as a whole or in part on December 1, 2026, 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 2017-A 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 2017-A Bonds are redeemed and prepaid pursuant to this Section 3.3, the Trustee shall select by lot the Series 2017-A Bonds (or portions of the principal thereof) to be redeemed and prepaid. The redemption of Series 2017 Bonds pursuant to this section shall comply with the applicable provisions of Article VI of the Original Indenture, including the giving of such notice to the Holders of Series 2017-A Bonds called for redemption as may be required by Section 6.1(b) of the Original Indenture.

The Series 2017-B will not be subject to redemption and prepayment prior to their maturity.

**Section 3.4 Scheduled Mandatory Redemption of Series 2017 Bonds.** (a) Series 2017-A Bonds. The Series 2017-A Bonds 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, 2043	\$435,000
December 1, 2044	450,000
December 1, 2045	470,000
December 1, 2046	485,000



Series 2017-A Bonds in the aggregate principal amount of \$505,000 will be scheduled to remain to be paid at their maturity on December 1, 2047. The Series 2017-A 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 2017-A Bonds subject to scheduled mandatory redemption on any December 1 shall be reduced by the principal amount of Series 2017-A 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 2017-A Bonds subject to scheduled mandatory redemption.

The mandatory redemption of Series 2017-A Bonds pursuant to the provisions of this section shall be effected in the manner provided in Article VI of the Original Indenture.

(b) Series 2017-B Bonds. The Series 2017-B Bonds 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, 2017	\$ 10,000
December 1, 2018	15,000
December 1, 2019	20,000
December 1, 2020	15,000

Series 2017-B Bonds in the aggregate principal amount of \$15,000 will be scheduled to remain to be paid at their maturity on December 1, 2021. The Series 2017-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 2017-B Bonds subject to scheduled mandatory redemption on any December 1 shall be reduced by the principal amount of Series 2017-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 2017-B Bonds subject to scheduled mandatory redemption.

The mandatory redemption of Series 2017-B Bonds pursuant to the provisions of this section shall be effected in the manner provided in Article VI of the Original Indenture.


**Section 3.5 Extraordinary Redemption of the Series 2017 Bonds.** The Series 2017 Bonds (including both the Series 2017-A Bonds and the Series 2017-B 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 2017 Bond (or, in the case of a Series 2017-A Determination of Taxability, each of the Series 2017 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 3.2(a) of the Original Lease, (ii) the exercise by the Trust of its option under Section 11.2 of the Original Lease to purchase the Project or (iii) a Series 2017-A Determination of Taxability. In case all the Series 2017 Bonds are required to be redeemed pursuant to clause (i) of the first sentence of this paragraph, the date fixed for such redemption shall be the date on which the Lease terminates as provided in said Section 3.2(a) of the Original Lease. In case all the Series 2017 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 Original Lease. In case all the Series 2017 Bonds 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 Series 2017-A 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 First Supplemental Lease.

**Section 3.6 Special Provisions Respecting Partial Redemption of Series 2017 Bonds; Purchase of Series 2017 Bonds for Retirement.** (a) The principal of any Series 2017 Bonds shall be redeemed only in the amount of \$5,000 or any integral multiple thereof. If less than all the Series 2017 Bonds are to be called for redemption on any single redemption date, the Trustee shall select by lot the principal amount of the Series 2017 Bonds to be so called for redemption, whereupon there shall be called for redemption an amount of the unpaid principal of each Series 2017 Bond equal to the principal amount so selected.

(b) The Authority may at any time and from time to time purchase Series 2017 Bonds of either series for retirement using funds from any source (subject to the limitations contained in Sections 10.3 and 10.5 of the Original Indenture). Any Series 2017 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 2017 Bonds shall be cancelled by the Trustee. The principal amount of any Series 2017 Term Bonds that are so purchased by the Authority and cancelled by the Trustee shall be credited against the aggregate principal amount of Series 2017 Term Bonds of the same series and having the same stated maturity that are required to be redeemed pursuant to the provisions of Section 3.4 hereof on the December 1 next succeeding the date on which such purchased Series 2017 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 2017 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 2017 Bonds required on any December 1 shall be allowed for any Series 2017 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 2017 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 2017 Term Bonds of the same series and having the same maturity.

**Section 3.7 Forms of Series 2017 Bonds.** (a) **Series 2017-A Bonds.** The Series 2017-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:



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[Form of Series 2017-A Bond]

No. A - \_\_\_\_

\$ \_\_\_\_\_

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 2017-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, 2017, 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 \$2,345,000 and designated Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-A (herein called the "Series 2017-A Bonds"). The Series 2017-A Bonds have been issued under a Mortgage and Trust Indenture dated as of July 1, 2012, as supplemented and amended by a First Supplemental Mortgage and Trust Indenture dated as of June 1, 2017 (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 2017-A Bonds have been issued for the purpose of financing a portion of the costs of the acquisition, construction, equipping and furnishing of citizenship education buildings (which citizenship education buildings and the land upon which they are located and all equipment, furniture and furnishings installed therein are herein collectively called the "Project"). The 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, as supplemented and amended by a First Supplemental Lease Agreement dated as of June 1, 2017 (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 2017-A Bonds when due. The Authority has heretofore issued 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"), and its \$8,890,000 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 2017 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." Simultaneously with the issuance of the Series 2017-A Bonds, the Authority is also issuing its \$75,000 principal amount of Taxable Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-B (herein called the "Series 2017-B Bonds"). The Series 2017-A Bonds and the Series 2017-B Bonds are herein together called the "Series 2017 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 2017 BOND, AND EACH HOLDER OF ANY OF THE SERIES 2017 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 2017 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 2017-A Bonds are subject to redemption prior to their respective maturities as follows:

(1) The Series 2017-A Bonds are subject to redemption and prepayment prior to maturity, at the option of the Authority (which option may be exercised only at the request of the Trust if at the time the Lease is still in effect and no default thereunder shall have occurred and be continuing), as a whole or in part, but if in part in inverse order of their maturities, on December 1, 2026, 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) The Series 2017-A Bonds 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, 2043	\$435,000
December 1, 2044	450,000
December 1, 2045	470,000
December 1, 2046	485,000

Series 2017-A Bonds in the aggregate principal amount of \$505,000 will be scheduled to remain to be paid at their maturity on December 1, 2047. The Series 2017-A 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 2017 Bonds (including both the Series 2017-A Bonds and the Series 2017-B Bonds) are subject to redemption as a whole on any date, at and for a redemption price, with respect to each such Series 2017 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 "Series 2017-A Determination of Taxability," as defined in the Indenture, with respect to the Series 2017-A Bonds.

In the event that less than all of the Series 2017-A Bonds of a particular maturity are to be redeemed and prepaid, the Trustee shall select by lot the Series 2017-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 2017-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 2017-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 2017-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 2017-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 and the Series



2017 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, the Series 2017 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 2017 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 the Series 2017 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 2017 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 2017



Bonds for a like aggregate principal amount of Series 2017 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 2017 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 2017 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

[SEAL]

  
20170629000233230 15/38 \$127.00  
Shelby Cnty Judge of Probate: AL  
06/29/2017 03:01:14 PM FILED/CERT

(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.

**(a) Series 2017-B Bonds.** The Series 2017-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:

  
20170629000233230 16/38 \$127.00  
Shelby Cnty Judge of Probate, AL  
06/29/2017 03:01:14 PM FILED/CERT

[Form of Series 2017-B Bond]

No. B-\_\_

\$\_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF ALABAMA

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

Taxable Revenue Bonds  
(The Alabama Veterans Living Legacy Project)  
Series 2017-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, 2017, 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 \$75,000, 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 \$75,000 and designated Taxable Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-B (herein called the "Series 2017-B Bonds"). The Series 2017-B Bonds have been issued under a Mortgage and Trust Indenture dated as of July 1, 2012, as supplemented and amended by a First Supplemental Mortgage and Trust Indenture dated as of June 1, 2017 (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 2017-B Bonds have been issued for the purpose of financing a portion of the costs of the acquisition, construction, equipping and furnishing of citizenship education buildings (which citizenship education buildings and the land upon which they are located and all equipment, furniture and furnishings installed therein are herein collectively called the "Project"). The 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, as supplemented and amended by a First Supplemental Lease Agreement dated as of June 1, 2017 (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 2017-B Bonds when due. The Authority has heretofore issued 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), and its \$8,890,000 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 2017 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." Simultaneously with the issuance of the Series 2017-B Bonds, the Authority is also issuing its \$2,345,000 principal amount of Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017-A (herein called the "Series 2017-A Bonds"). The Series 2017-A Bonds and the Series 2017-B Bonds are herein together called the "Series 2017 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 2017 BOND, AND EACH HOLDER OF ANY OF THE SERIES 2017 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 2017 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 2017-B Bonds are subject to redemption prior to their respective maturities as follows:

(1) The Series 2017-B Bonds 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, 2017	\$ 10,000
December 1, 2018	15,000
December 1, 2019	20,000
December 1, 2020	15,000

Series 2017-B Bonds in the aggregate principal amount of \$15,000 will be scheduled to remain to be paid at their maturity on December 1, 2021. The Series 2017-B Bonds (or principal portions thereof) to be redeemed on each of the aforesaid dates shall be selected by the Trustee by lot.

(2) The Series 2017 Bonds (including both the Series 2017-A Bonds and the Series 2017-B Bonds) are subject to redemption as a whole on any date, at and for a redemption price, with respect to each such Series 2017 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 "Series 2017-A Determination of Taxability," as defined in the Indenture, with respect to the Series 2017-A Bonds.

In the event that less than all of the Series 2017-B Bonds of a particular maturity are to be redeemed and prepaid, the Trustee shall select by lot the Series 2017-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 2017-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 2017-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 2017-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 2017-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 and the Series 2017 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, the Series 2017 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 2017 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 the Series 2017 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 2017 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 2017 Bonds for a like aggregate principal amount of Series 2017 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 2017 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 2017 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 ]

  
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Shelby Cnty Judge of Probate, AL  
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(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.

**Section 3.8 Execution and Delivery of the Series 2017 Bonds.** The Series 2017 Bonds shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the Authority by the Chairman or the Vice Chairman of the Authority requesting such authentication and delivery and designating the Person or Persons to receive the same or any part thereof.

**Section 3.9 Application of Proceeds from Sale of Series 2017 Bonds.** The proceeds derived from the sale of the Series 2017 Bonds shall be applied for the purposes only and in the order specified in the Funding Memorandum attached hereto as Exhibit B.

**Section 3.10 Book-Entry Procedures.** Except as provided in Section 3.10(b) hereof, the registered owner of all of the Series 2017 Bonds shall be The Depository Trust Company ("DTC") and

the Series 2017 Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Payment of semiannual interest for any Series 2017 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 2017 Bonds of each series shall be initially issued in the form of a separate single authenticated fully registered Series 2017 Bond in the principal amount of each separately stated maturity. Upon initial issuance, the ownership of each such Series 2017 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 2017 Bonds registered in its name for the purposes of payment of the principal or redemption price of or interest on the Series 2017 Bonds, selecting the Series 2017 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Holders of Series 2017 Bonds under the Indenture, registering the transfer of Series 2017 Bonds, obtaining any consent or other action to be taken by Holders of Series 2017 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 2017 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 2017 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 2017 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 2017 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 2017 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 2017 Bonds; or the authority for any consent given or other action taken by DTC as the Holder of Series 2017 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2017 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 2017 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 2017 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 2017 Bonds in appropriate amounts. DTC may determine to discontinue providing its services with respect to the Series 2017 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 2017 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 2017 Bonds to any DTC participant having Series 2017 Bonds credited to its DTC account or (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Series 2017 Bonds.

(c) Notwithstanding any other provision of the Indenture to the contrary, so long as any Series 2017 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 2017 Bond and all notices with respect to such Series 2017 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 2017 Bonds and accepted by DTC. Without limitation of the foregoing, so long as any Series 2017 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 2017 Bonds.

(d) In connection with any notice or other communication to be provided to Holders of the Series 2017 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 2017 Bonds, so long as any Series 2017 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 3.10 and any other provision of the Indenture or the forms of Series 2017 Bonds, the provisions of this Section 3.10 shall govern so long as bond certificates have not been issued to the Holders of the Series 2017 Bonds other than DTC in accordance with this Section 3.10(c) hereof.

(f) The Trustee shall have no responsibility for transmission of payments or notices to beneficial owners of Series 2017 Bonds by DTC while the book-entry procedures are in effect with respect thereto.

#### **ARTICLE IV**

#### **CONCERNING THE SERIES 2017 PROJECT IMPROVEMENT WORK AND PAYMENT OF SERIES 2017 PROJECT IMPROVEMENT COSTS**

**Section 4.1 Agreement Respecting Completion of Series 2017 Project Improvement Work.** The Authority will undertake and complete the Series 2017 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 Series 2017 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 Series 2017 Project Improvement Costs, but the Authority's obligation to pay such costs shall be limited to moneys on deposit in the Series 2017 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 4.2 Series 2017 Construction Fund.** There is hereby created a special trust fund, the name of which shall be the "Citizenship Trust Series 2017 Construction Fund", for the purpose of providing for the payment of Series 2017 Project Improvement Costs. The Trustee shall be and remain the depository, custodian and disbursing agent for the Series 2017 Construction Fund. As provided in the Funding Memorandum, there shall be deposited in the Series 2017 Construction Fund certain proceeds derived from the sale of the Series 2012 Bonds.

The moneys in the Series 2017 Construction Fund shall be disbursed by the Trustee from time to time for the purpose of paying Series 2017 Project Improvement Costs, but only upon receipt of a requisition in substantially the form attached hereto as Exhibit C 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 Series 2017 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 Series 2017 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 Series 2017 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 Series 2017 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 Series 2017 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 Series 2017 Project Improvement Costs not constituting Qualifying Series 2017-A 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 Series 2017-A Project Improvement Costs of more than five percent (5%) of those net proceeds [as such term is used in Section 445 of the Code] of the Series 2012 Bonds.

The requirements of this paragraph shall apply to all disbursements from the Series 2017 Construction Fund, including those made to reimburse the Trust for Series 2017 Project Improvement Costs theretofore paid by it.

The Trustee will keep and maintain adequate records pertaining to the Series 2017 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 Series 2017 Construction Fund. After payment of all Series 2017 Project Improvement Costs as certified by the Trust pursuant to the provisions of Section 4.6 of the First Supplemental Lease, the Trustee shall transfer any balance remaining in the Series 2017 Construction Fund into the Principal Account of the Bond Fund.

**Section 4.3 Trustee Protected in Series 2017 Construction Fund Payments; Additional Evidence May Be Required.** The Trustee shall be fully protected in making payments from the Series 2017 Construction Fund upon presentation to it of requisitions complying with the requirements of Section 4.2 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 Series 2017 Construction Fund (other than a payment into the Bond Fund pursuant to the last paragraph of Section 4.2 hereof), such additional evidence as it may reasonably deem appropriate respecting the application of any moneys previously disbursed from the Series 2017 Construction Fund or as to the correctness of any estimate or bill presented to it for payment pursuant to the provisions of said Section 4.2.

**Section 4.4 Investment of Series 2017 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 Series 2017 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 Series 2017 Construction Fund cash moneys sufficient to meet the needs of the Series 2017 Construction Fund. The Trust shall not direct the Trustee to make any investment of moneys in the Series 2017 Construction Fund that would result in any of the Bonds being considered “arbitrage bonds” within the meaning of Section 448 of the Code and the applicable regulations thereunder.

All income or profit derived from the investment or reinvestment of moneys in the Series 2017 Construction Fund shall be credited to the Series 2017 Construction Fund and considered a part thereof and all losses resulting from any such investment or reinvestment shall also be charged to the Series 2017 Construction Fund. The Trustee shall convert investments forming a part of the Series 2017 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 4.2 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 Series 2017 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 V

### MISCELLANEOUS


**Section 5.1 Confirmation of Indenture.** All the terms, covenants and conditions of the Original Indenture, as supplemented by the First Supplemental Indenture, are hereby in all things confirmed, and they shall remain in full force and effect. The Authority does hereby confirm the pledge made in the Indenture with respect to all properties now or hereafter constituting a part of the Project, including specifically, without limiting the generality of the foregoing, all properties acquired as a part of the Project since the execution and delivery of the Original Indenture. Any reference in the Indenture to the Lease shall, unless the context clearly and unequivocally indicates otherwise, henceforth be construed to refer to the Lease as supplemented by the First Supplemental Lease.

**Section 5.2 Further Assurances.** The Authority will take all actions that at the time and from time to time may be necessary (or, in the opinion of the Trustee, may be necessary) to perfect, preserve, protect and secure the interests of the Authority and the Trustee, or either, in and to the Project (or any part thereof), including, without limiting the generality of the foregoing, the filing of all financing

and continuation statements that may at the time be required under the Alabama Uniform Commercial Code.

**Section 5.3 Article and Section Captions.** The article and section headings and captions contained herein are included for convenience only and shall not be considered a part hereof or affect in any manner the construction or interpretation hereof.

**Section 5.4 Tax Covenants.** The Authority recognizes that the Holders of the Series 2017-A Bonds from time to time will have accepted them on, and paid therefor a price which reflects, the understanding that interest on the Series 2017-A Bonds is excluded from gross income for federal income tax purposes under the laws in force at the time the Series 2017-A Bonds shall have been delivered. In this connection the Authority covenants (i) that it will not take any action or omit to take any action if the taking of such action or the failure to take such action, as the case may be, will result in the interest on any of the Series 2017-A Bonds becoming includable in gross income for purposes of federal income taxation, (ii) that it will use the "proceeds" of the Series 2017-A Bonds and any other funds of the Authority in such a manner that the use thereof, as reasonably expected by the Authority at the time of issuance of the Series 2017-A Bonds, will not cause the Series 2017-A Bonds to be "arbitrage bonds" under Section 103(b)(2) and Section 148 of the Code and the regulations thereunder and (iii) that it will satisfy the requirements of Section 148(f) of the Code and the applicable regulations thereunder, all as more particularly set forth in the Tax Certificate and Agreement. The Authority further covenants and agrees that it will not permit at any time any "proceeds" of the Series 2017-A Bonds or any other funds of the Authority to be used, directly or indirectly, in a manner which would result in any Series 2017-A Bond not being classified as a "qualified 501(c)(3) bond" within the meaning of Section 145 of the Code. The officers and employees of the Authority shall execute and deliver from time to time, on behalf of the Authority, such certificates, instruments and documents as shall be deemed necessary or advisable to evidence compliance by the Authority with said Section 103(b)(2) and Section 148 and the regulations thereunder with respect to the use of the proceeds of the Series 2017-A Bonds. Such certificates, instruments and documents may contain such stipulations as shall be necessary or advisable in connection with the stated purpose of this section and the foregoing provisions hereof, and the Authority hereby covenants and agrees to comply with the provisions of any such stipulations throughout the term of the Series 2017-A Bonds.

  
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IN WITNESS WHEREOF, the Authority and the Trustee have caused this First Supplemental Mortgage and Trust Indenture to be executed in their respective corporate names, have caused their respective corporate seals to be hereunto affixed and have caused this First Supplemental Mortgage and Trust Indenture to be attested by their duly authorized officers, all in five (5) counterparts, each of which shall be deemed an original, and the Authority and the Trustee have caused this First Supplemental Mortgage and Trust Indenture to be dated as of June 1, 2017, although actually delivered on June 29, 2017.

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

By: \_\_\_\_\_

*[Signature]*  
Its Chairman

ATTEST:

*[Signature]*  
Secretary  
[S.E.A. SEAL]

**REGIONS BANK**, as Trustee under the Mortgage and Trust Indenture of The American Village Public Educational Building Authority of the City of Montevallo, dated as of July 1, 2012, as supplemented and amended

By: \_\_\_\_\_

Its: \_\_\_\_\_

*[Signature]*  
Vice President

ATTEST:

*[Signature]*  
Its: Vice President

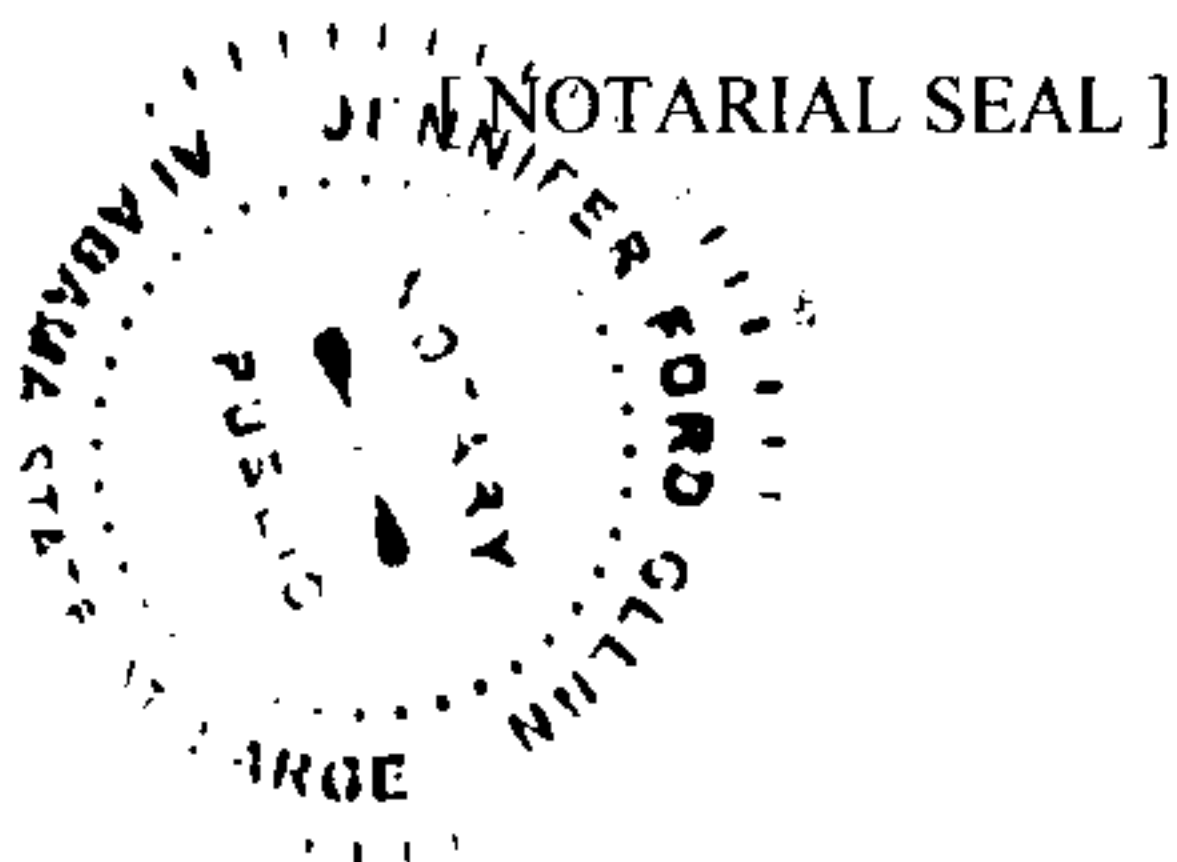


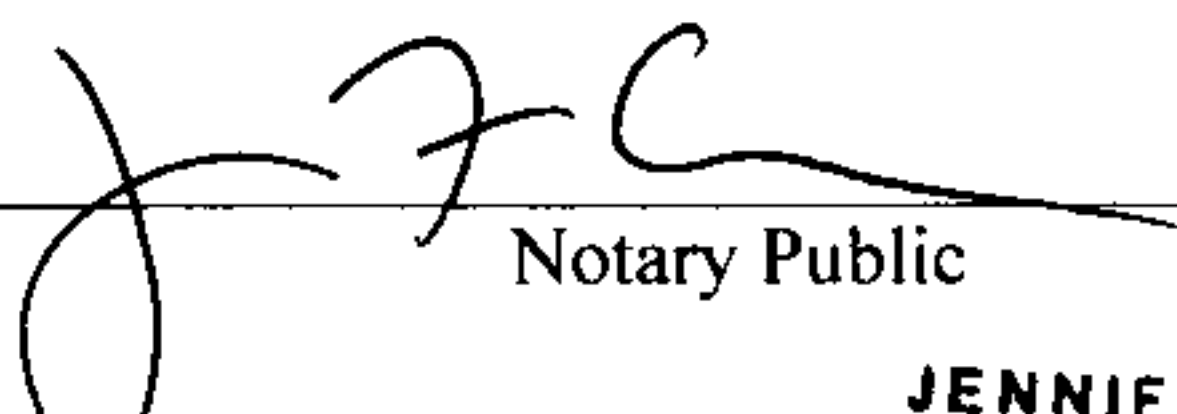
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Shelby Cnty Judge of Probate, AL  
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STATE OF ALABAMA       )  
                                     :  
SHELBY COUNTY        )

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 within instruments, he or she, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

GIVEN under my hand and official seal of office, this 27<sup>th</sup> day of June, 2017.



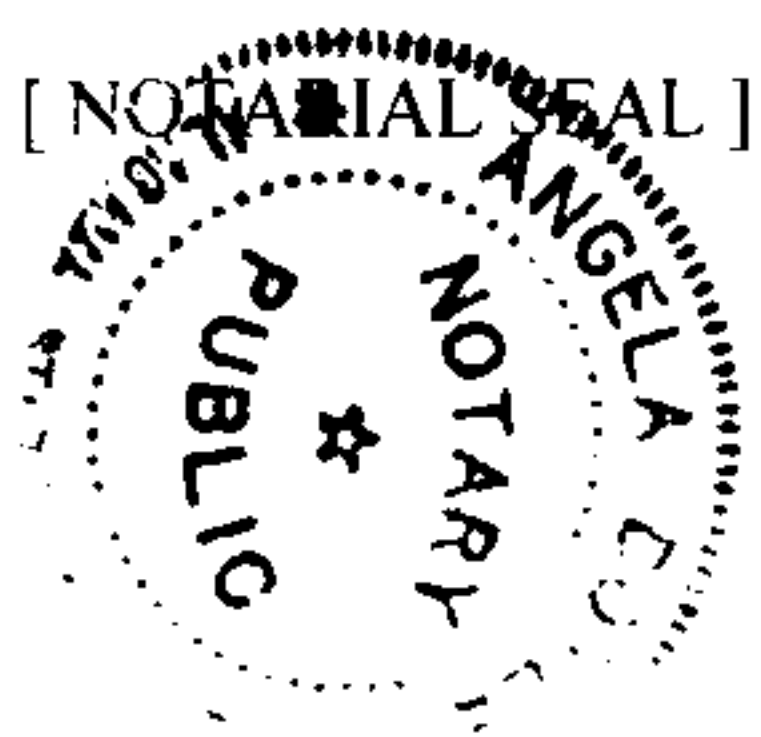
  
\_\_\_\_\_  
Notary Public  
My Commission Expires: JENNIFER FORD GLENN  
~~Notary Public, State of Alabama~~  
Alabama State At Large  
My Commission Expires  
July 08, 2019

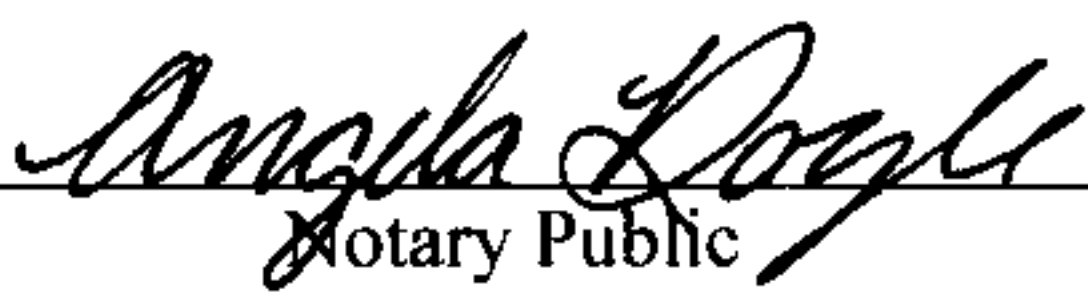
STATE OF ALABAMA       )  
                                     :  
JEFFERSON COUNTY        )

I, the undersigned authority, a Notary Public in and for said county in said state, hereby certify that Dian Wilson, whose name as Vice President of REGIONS BANK, an Alabama banking corporation acting in its capacity as Trustee under the Mortgage and Trust Indenture of The American Village Public Educational Building Authority of the City of Montevallo dated as of July 1, 2012, as supplemented and amended, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instruments, he or she, as such officer and with full authority, executed the same voluntarily for and as the act of said association in its capacity as Trustee as aforesaid.

GIVEN under my hand and official seal of office, this 28<sup>th</sup> day of June, 2017.

[ NOTARIAL SEAL ]



  
\_\_\_\_\_  
Notary Public  
MY COMMISSION EXPIRES MAY 9, 2020  
My Commission Expires: \_\_\_\_\_




**EXHIBIT A**  
**to**  
**First Supplemental Mortgage and Trust Indenture**  
**between**  
**The American Village Public Educational Building Authority**  
**of the City of Montevallo**  
**and**  
**Regions Bank**  
**dated as of June 1, 2017**

**2017 Addition to the Project Site:**

A parcel of land a part of which is situated in the SE 1/4 of the SW1/4 of Section 2, Township 22 South, Range 3 West, a part of the SW 1/4 of the SW 1/4 of said section, and a part in the North 1/2 of the NW 1/4 of Section 11, Township 22 South, Range 3 West, and described as follows: Begin at the SW corner of the SE 1/4 of the SW 1/4 of said Section 2 and go South 1.58 feet and then West 14.59 feet to a point at the junction of a fence forming the West boundary of this tract, with a fence forming the South boundary of same for point of beginning; thence go North 89 degrees 45 minutes East along this fence forming the South border 1026.22 feet to West border of Highway 119; thence North 0 degrees 27 minutes West along this Highway border 193.58 feet; thence continue along this border North 4 degrees 27 minutes West 36.42 feet; thence North 89 degrees 08 minutes West 1031.67 feet; thence South 2 degrees 13 minutes East along fence forming West border 249.84 feet to paint of beginning.

LESS AND EXCEPT a parcel of land described as follows: Begin at the SW corner of the SE 1/4 of the SW 1/4 of Section 2, Township 22 South, Range 3 West and go South 1.58 feet' thence West 14.59 feet to a point on a fence; thence go North 2 degrees 13 minutes West along a fence for 249.84 feet; thence go South 89 degrees 08 minutes East for 798.17 feet to the point of beginning; thence continue South 89 degrees 08 minutes East for 233.50 feet to a point on the West border of State Highway No. 119; thence go South 4 degrees 27 minutes East along the West boundary of said highway for 36.42 feet; thence go South 00 degrees 27 minutes East for 88.58 feet along the West boundary of said highway; thence go North 89 degrees 10 minutes West for 236.06 fee; thence go North 00 degrees 26 minutes West for 125.00 feet back to the point of beginning.

Situated in Shelby County, Alabama.

  
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Shelby Cnty Judge of Probate, AL  
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**EXHIBIT B**  
to  
**First Supplemental Mortgage and Trust Indenture**  
between  
**The American Village Public Educational Building Authority**  
**of the City of Montevallo**  
and  
**Regions Bank**  
**dated as of June 1, 2017**


**FUNDING MEMORANDUM**

**The American Village Public Educational Building Authority of  
the City of Montevallo (Alabama)**

<b>\$2,345,000</b> <b>Revenue Bonds</b> <b>(The Alabama Veterans Living Legacy Project)</b> <b>Series 2017-A</b>	<b>\$75,000</b> <b>Taxable Revenue Bonds</b> <b>(The Alabama Veterans Living Legacy Project)</b> <b>Series 2017-B</b>
<b>dated June 29, 2017</b> <b>delivered June 29, 2017</b>	

**I. Sources and Uses of Funds**

Sources:	Series 2017-A Bonds	Series 2017-B Bonds	Total
Principal Amount of the Bonds	\$2,345,000.00	\$75,000.00	\$2,420,000.00
Net Original Issue Discount	(28,562.10)	---	(28,562.10)
	\$2,316,437.90	\$75,000.00	\$2,391,437.90
Uses:			
Deposit to 2017 Construction Fund	\$2,176,807.90	---	\$2,176,807.90
Deposit to Debt Service Reserve Fund	93,800.00	21,375.00	115,175.00
Costs of Issuance	13,000.00	50,250.00	63,250.00
Underwriter's Discount	32,830.00	1,050.00	33,880.00
Contingency	---	2,325.00	2,325.00
	\$2,316,437.90	\$75,000.00	\$2,391,437.90

  
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 Shelby Cnty Judge of Probate, AL  
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## II. Flow of Funds

### Series 2017 Bonds Purchase Price:

Via wire transfer from Crews & Associates to  
Regions Bank, as Trustee:

Series 2017-A Bonds Purchase Price	\$2,316,437.90
(Less Underwriter's Discount)	<u>(32,830.00)</u>

Total	<u>\$2,283,607.90</u>
-------	-----------------------

(Flow of Funds continued)

Series 2017-B Bonds	\$75,000.00
(Less Underwriter's Discount)	<u>(1,050.00)</u>

Total	<u>\$73,950.00</u>
-------	--------------------

Total Transfer from Underwriter to Trustee:	<u>\$2,357,557.90</u>
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### Disbursements of Bond Proceeds by Regions Bank:

Deposit to Debt Service Reserve Fund	\$115,175.00
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Deposit to Series 2017 Construction Fund	2,176,807.90
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Issuance Expenses (itemized below)	<u>65,575.00</u>
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Total	<u>\$2,357,557.90</u>
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### Issuance Expenses Paid at Closing:

Legal fees and disbursements of Butler Snow LLP, Bond Counsel	\$ 35,000.00
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Legal fees of Ellis, Head, Owens & Justice, as Trust Counsel	5,000.00
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S&P Global	12,000.00
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MSRB, CUSIP, etc. (reimburse underwriter)	1,161.59
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Title insurance	2,500.00
Trustee Fees – Acceptance (\$1,500) & Annual (\$3,000) (via internal transfer)	4,500.00
Miscellaneous	3,088.41*
Contingency	<u>2,325.00*</u>
Total	<u>\$ 65,575.00</u>

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\* Any remaining proceeds, following payment of all issuance expenses, to be deposited in Series 2017 Construction Fund.

### III. Wiring and Mailing Instructions

#### BOND TRUSTEE WIRING INSTRUCTIONS

Bank Name: Regions Bank, Birmingham, Alabama  
 ABA: 062005690  
 AC#: 0017541387 Wealth Management Operations  
 RE: American Village Attn: Dian Wilson

#### BUTLER SNOW LLP WIRING INSTRUCTIONS

Transferee Bank: Regions Bank (Main Office)  
 Birmingham, Alabama  
 Attn: Wire Transfer Department  
 (800) 843-1158  
 ABA Routing No: 062-005-690  
 For the Account of: Butler Snow LLP  
 (Formerly known as Butler, Snow, O'Mara, Stevens & Cannada,  
 PLLC)  
 (beneficiary) with Regions Bank, Jackson, MS  
 Operating Account No: 500-21-032-80  
 Contact: Rance Sapien (601)985-4554  
 Reference: The Citizenship Trust (184066) (Alston Ray)

**ELLIS, HEAD, OWENS & JUSTICE  
MAILING INSTRUCTIONS**

Post Office Box 587  
Columbiana, Alabama 35051

**CREWS & ASSOCIATES, INC.  
WIRING INSTRUCTIONS**

First Security Bank/Searcy, AR  
ABA#: 082901538  
Acct #: 0624608 Crews & Associates, Inc.  
FFC: American Village (Montevallo, AL) Series 2017 A&B

**S & P GLOBAL WIRING INSTRUCTIONS:**

Bank of America  
S&P Global Ratings  
Account # 12334-02500  
ABA # 0260-0959-3  
Invoice No.: 11331806





**EXHIBIT C**  
**to**  
**First Supplemental Mortgage and Trust Indenture**  
**between**  
**The American Village Public Educational Building Authority**  
**of the City of Montevallo**  
**and**  
**Regions Bank**  
**dated as of June 1, 2017**

**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, as supplemented and amended, from The American Village Public Educational Building Authority of the City of Montevallo, pertaining to Revenue Bonds (The Alabama Veterans Living Legacy Project), Series 2017

As depository, custodian and disbursing agent for the American Village Citizenship Trust Project Series 2017 Construction Fund (the "Series 2017 Construction Fund") created by that certain Mortgage and Trust Indenture dated as of July 1, 2012 (the "Original Indenture"), as supplemented and amended by that certain First Supplemental Mortgage and Trust Indenture dated as of June 1, 2017 (the "First Supplemental 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 2017 (the "Series 2017 Bonds"), you are hereby requested to pay, out of the moneys on deposit in the Construction Fund and pursuant to the provisions of Section 4.2 of the First Supplemental Indenture, the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) to \_\_\_\_\_

whose address is \_\_\_\_\_  
for the purpose of paying the following Series 2017 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 First Supplemental Indenture.

In connection with the Series 2017 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 Series 2017 Construction Fund moneys are authorized in the First Supplemental 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 Series 2017 Construction Fund or for any previous payment out of the proceeds derived by the Authority from the sale of the Series 2017 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 Series 2017 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 Series 2017 Construction Fund on account of such Series 2017 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 Series 2017 Project Improvement Costs not constituting Qualifying Series 2017-A 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 Series 2017-A 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 2017 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 Series 2017 Project Improvements. Otherwise, it should be crossed out.

\*\* Applicable only if Requisition relates to the acquisition of Series 2017 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 Series 2017 Project Improvement Costs not constituting Qualifying Series 2017-A Project Improvement Costs. Otherwise, it should be crossed out.



20170629000233230 37/38 \$127.00  
Shelby Cnty Judge of Probate, AL  
06/29/2017 03:01:14 PM FILED/CERT

This instrument was prepared by:

E. Alston Ray, Esq.  
Butler Snow LLP  
One Federal Place  
1819 Fifth Ave. North  
Suite 1000  
Birmingham, Alabama 35203

  
20170629000233230 38/38 \$127.00  
Shelby Cnty Judge of Probate, AL  
06/29/2017 03:01:14 PM FILED/CERT