

OFFICIAL STATEMENT

NEW ISSUE

In the opinion of Bond Counsel (rendered in reliance upon the opinion of Special Tax Counsel that the Series 2000 Warrants are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended), based on existing statutes, rulings and court decisions and assuming, among other matters, compliance with certain covenants, interest on the Series 2000 Warrants is excluded from gross income for federal income tax purposes. In the opinion of Bond Counsel, interest on the Series 2000 Warrants is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although it is included in adjusted current earnings in calculating corporate alternative minimum taxable income. Bond Counsel is also of the opinion that under existing law interest on the Series 2000 Warrants will be exempt from State of Alabama income taxation. See "TAX EXEMPTION" herein.

THE CONECUH COUNTY PUBLIC BUILDING AUTHORITY

\$3,395,000
Revenue Warrants
(Conecuh County Jail Project)
Series 2000

Dated: June 1, 2000

Due: March 1, as shown below

\$500,000 5.70% Term Warrants due March 1, 2007 — Price: 100%
\$900,000 6.20% Term Warrants due March 1, 2015 — Price: 100%
\$835,000 6.40% Term Warrants due March 1, 2020 — Yield: 6.45%
\$1,160,000 6.50% Term Warrants due March 1, 2025 — Yield: 6.65%

(plus accrued interest on all Series 2000 Warrants from June 1, 2000)

The Series 2000 Warrants are offered, subject to prior sale, when, as and if issued and received by the Underwriter and subject to the approval of legality by Haskell Slaughter & Young, L.L.C., Bond Counsel, of Birmingham, Alabama, and certain other conditions. Certain legal matters will be passed upon for The Conecuh County Public Building Authority by its counsel, Frederick H. Stevens of Evergreen, Alabama. It is expected that delivery of the Series 2000 Warrants will be made on or about June 13, 2000, in Montgomery, Alabama, against payment therefor.

THE FRAZER LANIER COMPANY
Incorporated

May 24, 2000

CONECUH COUNTY, ALABAMA

CONECUH COUNTY COMMISSION

Hugh S. Barrow, Chairman
Wendell Byrd
Leonard Millender
D.K. Bodiford
Jerold Dean
Charles Ira Bradford, Clerk

THE CONECUH COUNTY PUBLIC BUILDING AUTHORITY

Directors

Billy G. Mims, Sr. - President
W. J. Reed - Vice President
Alice Ann Baldwin - Secretary

Attorney for the Building Authority and the County

Frederick Hanson Stevens

Bond Counsel

Haskell Slaughter & Young, L.L.C.
Birmingham, Alabama

Underwriter

The Frazer Lanier Company, Inc.
Montgomery, Alabama

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the Series 2000 Warrants made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by The Conecuh County Public Building Authority or the Underwriter. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the matters described herein since the date hereof. This Official Statement does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation. The information set forth herein has been obtained from Conecuh County, Alabama and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness or to be construed as a representation by, the Underwriter.

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OFFICIAL STATEMENT

\$3,395,000

THE CONECUH COUNTY PUBLIC BUILDING AUTHORITY REVENUE WARRANTS (Conecuh County Jail Project) Series 2000

INTRODUCTION

This Official Statement is furnished by The Conecuh County Public Building Authority, a public corporation under the laws of the State of Alabama (the "Building Authority"), in order to provide information to prospective purchasers of its \$3,395,000 principal amount of Revenue Warrants (Conecuh County Jail Project), Series 2000, dated June 1, 2000 (the "Series 2000 Warrants"). The Series 2000 Warrants will be issued under a Mortgage and Trust Indenture dated as of June 1, 2000 (the "Indenture"), between the Building Authority and Regions Bank, Montgomery, Alabama (said bank, together with its successors in trust, being herein called the "Trustee"), in order to finance the costs of acquiring, constructing and equipping a new county jail facility (the said facility being herein called the "New County Jail") to serve Conecuh County, Alabama (herein called the "County").

Contemporaneously with and as a condition to the issuance of the Series 2000 Warrants, the Building Authority and the County will enter into a Lease Agreement dated as of June 1, 2000 (the "Lease"), pursuant to which the Building Authority will agree to acquire, construct and equip the New County Jail and to lease it to the County for a term not longer than the current fiscal year of the County ending on September 30, 2000; provided, however, that the Lease shall contain a grant to the County of successive options to renew the term of the Lease annually until the Series 2000 Warrants are paid. See "Duration of Term" under "THE LEASE." See also "SPECIAL COVENANTS OF THE COUNTY."

Pursuant to the provisions of Section 215 of the Constitution of Alabama of 1901, a special county ad valorem tax (the "Special County Tax") is levied on all taxable property in the County at the rate of 7 mills on each One Dollar (\$1.00) of such taxable property, for the purpose of paying the costs of constructing or maintaining public buildings, bridges or roads in the County. Additionally, Amendment No. 634 to the Constitution of Alabama of 1901 provides that there shall be assessed and taxed as costs upon the filing of an initial complaint and for the service of pleadings in all civil and criminal cases filed in any court in the County certain fees (the "Special Court Fees") to be paid into the General Fund of the County. The said Amendment No. 634 provides that the Special Court Fees may be applied only to the costs of planning, design, constructing and equipping the New County Jail, or for the renovation and repair of the existing county courthouse in the County (the "County Courthouse"), or for payment of the principal of and the interest on any bonds, warrants or other obligations issued by or on behalf of the County to finance the costs of constructing and equipping the New County Jail or for the renovation and repair of the County Courthouse. The Lease will contain a pledge of the proceeds of the Special County Tax and of the Special Court Fees (the "Pledged Tax Proceeds") for the payment of the Series 2000 Warrants on a parity of lien and pledge with any Additional County Obligations that might be hereafter issued by or on behalf of the County, as hereinafter described.

Pursuant to the Lease, but only during the term thereof (including any renewal terms), the County will pay to the Building Authority first from the Pledged Tax Proceeds and then from its general revenues Basic Rent as hereinafter defined, on such dates and in such amounts that will be sufficient to pay the principal of and the interest (and premium, if any) on the Series 2000 Warrants when due during the term of the Lease. See "Rental Provisions" under "THE LEASE."

Under the provisions of the Indenture, the Series 2000 Warrants will be secured by a mortgage lien on the New County Jail, by an assignment of the rights of the Building Authority under the Lease, by a pledge of the Pledged Tax Proceeds on a parity with the pledge thereof for the benefit of any Additional County Obligations as hereinafter described and by a pledge of the revenues and receipts derived by the Building Authority from the leasing or, under certain circumstances, the sale of the New County Jail; provided, that the said mortgage of the New County Jail contained in the Indenture will not be subject to foreclosure. See "Source of Payment; Security of the Series 2000 Warrants" under "THE SERIES 2000 WARRANTS." The Series 2000 Warrants will be issued pursuant to certain Alabama statutes codified as Chapter 15, Title 11, Code of Alabama 1975 (said statutes being herein called the "Authorizing Act").

This Official Statement contains brief descriptions of the Building Authority and the New County Jail, information respecting the use of the proceeds of the Series 2000 Warrants and summaries of certain provisions of the Series 2000 Warrants, the Lease and the Indenture. Appendix A to this Official Statement contains certain demographic information regarding the County; Appendix B contains certain financial information regarding the County (prepared from unaudited data) and compiled by the Department of Examiners of Public Accounts of the State of Alabama; and Appendix C contains a copy of the proposed approving opinion of Bond Counsel respecting the Series 2000 Warrants. The summaries of the documents herein contained are not complete or definitive, and every statement made in this Official Statement concerning any provision of any document is qualified by reference to such document in its entirety. For complete details of any and all terms and conditions respecting the Series 2000 Warrants, prospective purchasers are referred to the Lease and the Indenture, copies of which may be obtained from the office of the Trustee or from the offices of The Frazer Lanier Company, Inc. in Montgomery, Alabama (the "Underwriter"), the underwriter of the Series 2000 Warrants. Terms used but not defined in this Official Statement shall have the meanings given them in the specific documents in which they are defined and used.

THE BUILDING AUTHORITY

The Building Authority is a public corporation of the State of Alabama organized under the laws of that state and a resolution adopted by the Conecuh County Commission, the governing body of the County on March 13, 2000, authorizing its incorporation. The general purpose of the Building Authority is to provide public facilities for use by the County and its agencies. The Building Authority is empowered to finance the costs of acquiring and constructing such public facilities and acquiring and installing equipment, furniture and fixtures in any such facilities through the issuance of its revenue warrants and to lease or sell such facilities to the County. The powers of the Building Authority are exercised by a Board of Directors consisting of three citizens who reside in the County and who are appointed by its governing body.

THE SERIES 2000 WARRANTS

General

The Series 2000 Warrants will be issued in the aggregate principal amount of \$3,395,000 will be dated June 1, 2000, will bear semiannual interest (payable on September 1, 2000, and on each March 1 and September 1 thereafter) at the rates set forth on the cover page hereof and will mature on March 1 in the years and in the principal amounts set forth on said cover page. The Series 2000 Warrants will be issued as fully registered warrants, registerable as to both principal and interest, in the denomination of \$5,000 each. The principal of and premium (if any) on the Series 2000 Warrants will be payable at the principal corporate trust office of the Trustee, and the interest on the Series 2000 Warrants will be paid by the Trustee by check or draft mailed to the registered owner as such registered owner's name shall appear on the registry books of the Trustee 15 days prior to any interest payment date. The principal of and the interest and premium (if any) on the Series 2000 Warrants will be payable in lawful money of the United States of America.

Source of Payment; Security for the Series 2000 Warrants

The Series 2000 Warrants will be special limited obligations of the Building Authority and will be payable solely from and secured by a pledge of the rentals and other receipts to be derived by the Building Authority from the leasing or, under certain circumstances, the sale of the New County Jail. The Lease will obligate the County, but only during the term of the Lease (including any renewal terms), to pay first from the Pledged Tax Proceeds and then, if the Pledged Tax Proceeds shall not be sufficient for that purpose, from its general revenues, debt service rentals on such dates and in such amounts as will be sufficient to provide for the payment when due of such of the principal of and the interest and premium (if any) on the Series 2000 Warrants payable during the term of the Lease. The initial term of the Lease shall not be longer than the fiscal year of the County which will end on September 30, 2000; however, the Lease shall contain a grant to the County of successive options to renew the term of the Lease annually until the Series 2000 Warrants are paid, and those options to renew the term of the Lease will be automatically exercised unless the County shall affirmatively not exercise each such option. In the Lease the County will enter into certain special covenants with the Building Authority and the Trustee, the purpose of which will be to insure that the County will continuously lease the New County Jail from the Building Authority until the Series 2000 Warrants have been fully paid and retired. See "SPECIAL COVENANTS OF THE COUNTY." Also see "Duration of Term" under "THE LEASE."

The Building Authority will be required to make deposits from the rent received from the lease of the New County Jail (i) into the Warrant Fund to be established under the Indenture and (ii) for the payment of the Trustee's fees and expenses. The County will also enter into certain special covenants with the Building Authority and the Trustee, the purpose of which will be to insure that the County will have available sufficient revenues with which to pay rentals due to the Building Authority under the Lease, and also to operate the New County Jail and to maintain the New County Jail in good repair and condition. See "SPECIAL COVENANTS OF THE COUNTY". See also "The Warrant Fund" under "THE INDENTURE."

By and subject to the terms of the Indenture, the Building Authority will, for the benefit of the holders of the Series 2000 Warrants and to secure payment of the principal thereof and the interest and premium (if any) thereof, mortgage, assign and pledge to the Trustee, subject to the "Permitted Encumbrances" as defined in the Indenture, the following properties, rights and interests:

- (a) the New County Jail Site hereinafter defined;
- (b) the New County Jail Building hereinafter defined and all other buildings and improvements now or hereafter constructed or situated on the land constituting part of the County Jail;
- (c) the New County Jail Equipment hereinafter defined, including those items thereof that are generally described in the Lease and the Indenture and all other items of equipment, furniture or fixtures that under the provisions of said documents are to constitute part of the County Jail Equipment;
- (d) all rents, revenues, issues, earnings and income derived by the Building Authority from the New County Jail; and
- (e) all right, title and interest of the Building Authority in and to the Lease, except for certain release and indemnification rights of the Building Authority.

However, the Authorizing Act provides that said mortgage of those properties to the Trustee will not be subject to foreclosure.

The Series 2000 Warrants will not be general obligations of the Building Authority, nor will they in any way constitute a debt, liability or obligation of the State of Alabama, the County, or any other political subdivision of the said State. No holder of any of the Series 2000 Warrants shall have the right to compel any exercise of the taxing power of the State of Alabama, the County, or any other political subdivision of the said State of Alabama to pay the Series 2000 Warrants or any interest thereon. Further, the Building Authority has no taxing power, and the Series 2000 Warrants are special and limited obligations of the Building Authority payable solely from the funds pledged under the Indenture to the payment thereof. Neither the principal of nor the interest on the Series 2000 Warrants, nor the pledges, assignments and agreements described herein, nor the Indenture and any agreement contained therein shall ever constitute a personal or pecuniary liability of or charge against the general credit of the Building Authority.

In the event the County fails to exercise its successive options to renew the Lease annually, the Building Authority will have no funds with which to pay the principal of or interest and premium (if any) on the Series 2000 Warrants except such funds as may be derived from the leasing or sale of the County Jail to a user other than the County. There can be no assurance that the Building Authority or the Trustee will realize sufficient revenues from the disposition of the New County Jail to pay any portion of the principal of and the interest and premium (if any) on the Series 2000 Warrants not paid out of rentals from the County.

Direct Payment to the Trustee

In the Lease the County will direct the Tax Collector of the County, as well as any other officials of the County who shall be responsible for collection of the Special Court Fees, to pay the Pledged Tax Proceeds directly to the Trustee in each fiscal year of the County, to the extent that such Pledged Tax Proceeds shall be needed to make required payments into the Warrant Fund created in the Indenture, and also to pay the fees and expenses of the Trustee. Thereafter any Pledged Tax Proceeds shall be paid directly to the County and may be used for any lawful purpose.

Registration, Exchange and Replacement of the Series 2000 Warrants

The Series 2000 Warrants are issuable as fully registered warrants, registerable as to both principal and interest, in the denomination of \$5,000 each, or any integral multiple thereof. Any one or more of the Series 2000 Warrants may be exchanged for an equal aggregate principal amount of other fully registered warrants that have the same maturity and interest rate, all as may be requested by the holder surrendering the Series 2000 Warrants to be so exchanged and upon the terms and conditions provided in the Indenture. In every case involving any transfer, registration or exchange of any of the Series 2000 Warrants, the holder thereof shall be responsible for paying all taxes and other governmental charges relating to such transfer, registration or exchange. In the event any Series 2000 Warrant is lost, stolen, destroyed or mutilated, the Building Authority and the Trustee may require satisfactory indemnification for the replacement thereof and may charge the holder of such warrant with their fees and expenses in connection with the replacement thereof.

Redemption Provisions

The Series 2000 Warrants will be subject to redemption prior to their respective stated maturities as follows:

Optional Redemption. The Series 2000 Warrants will be subject to redemption, at the option of the Building Authority (which option shall be exercisable upon direction of the County if the Lease is still in effect and no default exists thereunder) as a whole or in part (but if in part only in installments of \$5,000 or any integral multiple thereof and in the inverse order of their maturities, and if less than all the Series 2000 Warrants of a single maturity are to be redeemed, those to be called for redemption shall be selected by lot) on March 1, 2008, and on any date thereafter, such redemption, whether in whole or in part, to be at and for the following redemption prices (expressed in percentages of the principal amount to be redeemed) plus accrued interest thereon to the redemption date:

<u>If the Date Fixed For Redemption Is</u>	<u>Redemption Price</u>
From March 1, 2008 to February 28, 2009	102 %
From March 1, 2009 to February 28, 2010	101 %
On March 1, 2010	100 %

Mandatory Redemption. Those of the Series 2000 Warrants maturing on March 1, 2007 (the "2007 Term Warrants") shall be subject to mandatory redemption prior to their stated maturity, at a redemption price equal to the par or face amount of each such 2007 Term Warrant so redeemed plus accrued interest thereon to the date of redemption, in the following respective principal amounts on the following dates:

<u>Date of Redemption</u>	<u>Principal Amount to be Redeemed</u>
2001	\$ 60,000
2002	65,000
2003	65,000
2004	70,000
2005	75,000
2006	80,000

In the absence of prior optional redemption of 2007 Term Warrants, 2007 Term Warrants in the principal amount of \$85,000 will remain to be paid at their stated maturity on March 1, 2007.

Those of the Series 2000 Warrants maturing on March 1, 2015 (the "2015 Term Warrants") shall be subject to mandatory redemption prior to their stated maturity, at a redemption price equal to the par or face amount of each such 2015 Term Warrant so redeemed plus accrued interest thereon to the date of redemption, in the following respective principal amounts on the following dates:

<u>Date of Redemption</u>	<u>Principal Amount to be Redeemed</u>
2008	\$ 90,000
2009	95,000
2010	100,000
2011	110,000
2012	115,000
2013	120,000
2014	130,000

In the absence of prior optional redemption of 2015 Term Warrants, 2015 Term Warrants in the principal amount of \$140,000 will remain to be paid at their stated maturity on March 1, 2015.

Those of the Series 2000 Warrants maturing on March 1, 2020 (the "2020 Term Warrants") shall be subject to mandatory redemption prior to their stated maturity, at a redemption price equal to the par or face amount of each such 2020 Term Warrant so redeemed plus accrued interest thereon to the date of redemption, in the following respective principal amounts on the following dates:

<u>Date of Redemption</u>	<u>Principal Amount to be Redeemed</u>
2016	\$145,000
2017	155,000
2018	165,000
2019	180,000

In the absence of prior optional redemption of 2020 Term Warrants, 2020 Term Warrants in the principal amount of \$190,000 will remain to be paid at their stated maturity on March 1, 2020.

Those of the Series 2000 Warrants maturing on March 1, 2025 (the "2025 Term Warrants") shall be subject to mandatory redemption prior to their stated maturity, at a redemption price equal to the par or face amount of each such 2025 Term Warrant so redeemed plus accrued interest thereon to the date of redemption, in the following respective principal amounts on the following dates:

<u>Date of Redemption</u>	<u>Principal Amount to be Redeemed</u>
2021	\$205,000
2022	215,000
2023	230,000
2024	245,000

In the absence of prior optional redemption of 2025 Term Warrants, 2025 Term Warrants in the principal amount of \$265,000 will remain to be paid at their stated maturity on March 1, 2025.

Each 2007 Term Warrant, 2015 Term Warrant, 2020 Term Warrant and 2025 Term Warrant (herein together called the "Series 2000 Term Warrants") (or portion of the principal thereof) called for such mandatory redemption shall be redeemed at and for a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption. Not later than January 1 preceding each March 1 on which mandatory redemptions of Series 2000 Term Warrants are required by the Indenture, the Trustee will take such actions as are necessary under the Indenture to redeem the principal amount of Series 2000 Term Warrants required to be redeemed on such March 1.

In the event that any Series 2000 Term Warrants are required to be redeemed on any March 1, then at the option of the Building Authority, to be exercised on or before the January 1 next preceding such March 1, the principal amount of Series 2000 Term Warrants so required to be redeemed shall be reduced to the extent of the sum of the following credits:

(a) a credit equal to such principal amount of Series 2000 Term Warrants as shall have been delivered by the Building Authority to the Trustee for cancellation and retirement and as shall not have been theretofore credited against any previous mandatory redemption of Series 2000 Term Warrants;

(b) a credit equal to such principal amount of Series 2000 Term Warrants as shall have been purchased by the Trustee for cancellation and retirement with moneys

provided by the Building Authority and as shall not have been theretofore credited against any previous mandatory redemption of Series 2000 Term Warrants; and

(c) a credit equal to that principal amount of Series 2000 Term Warrants which shall have been theretofore duly called for optional redemption by the Building Authority on or before such March 1.

The Series 2000 Term Warrants so delivered, purchased or redeemed, as the case may be, in respect of any redemption of Series 2000 Term Warrants required on any March 1 shall be credited by the Trustee at the face amount thereof against the principal amount of Series 2000 Term Warrants required to be redeemed on such March 1.

Notice of Redemption of Series 2000 Warrants

Notice of the proposed redemption of any of the Series 2000 Warrants prior to their respective stated maturities will be given, not more than 60 nor less than 30 days prior to the proposed redemption date, by registered or certified mail to the registered holders of any Series 2000 Warrants called for redemption. If on the applicable redemption date the redemption price of any Series 2000 Warrant (or portion thereof) duly called for redemption is on deposit at the principal corporate trust office of the Trustee, such Series 2000 Warrant (or portion thereof) will cease to bear interest on such date.

Additional County Obligations

In the Lease the County will reserve the right hereafter to issue any bonds, warrants or other evidences of indebtedness, or cause any public agency or public corporation in the State of Alabama to issue any such bonds, warrants, or other evidences of indebtedness on its behalf (any such bonds, warrants, or other evidences of indebtedness being herein called "Additional County Obligations"), with any such bonds, warrants or other evidences of indebtedness to be payable from or secured by a pledge of the Pledged Tax Proceeds on a parity of lien and pledge with the pledge of the Pledged Tax Proceeds made in the Lease for the benefit of the Series 2000 Warrants; provided that any such parity pledge for the benefit of any Additional County Obligations may be made only if the Pledged Tax Proceeds received by the County during the fiscal year of the County next preceding the fiscal year during which any Additional County Obligations shall be issued shall have been not less than 110% of the maximum principal and interest maturing during the then current or any subsequent fiscal year of the County with respect to the Series 2000 Warrants, any Additional County Obligations theretofore issued, and the Additional County Obligations then proposed to be issued.

The Indenture will permit the Building Authority from time to time, if it is not in default thereunder and if the County is not in default under the Lease, to issue Additional County Obligations on behalf of the County upon compliance with the conditions contained in the Indenture, and all such Additional County Obligations shall be secured on a parity of lien with the Series 2000 Warrants and all other Additional County Obligations issued by or on behalf of the County as regards the pledge of the Pledged Tax Proceeds contained in the Lease. Additional County Obligations may be issued by the Building Authority for the purpose of (i) obtaining funds to pay the costs of making improvements or additions to the New County

Jail, (ii) refunding or otherwise retiring all or any portion of any one or more series of Warrants then outstanding under the Indenture, or (iii) any combination of the preceding purposes.

Among the conditions precedent to the issuance of Additional County Obligations under the Indenture will be the following:

(a) a supplemental lease between the Building Authority and the County obligating the County to pay such additional, supplemental or changed Basic Rent as will be sufficient to provide for the payment, when due, of the principal of and the interest and premium (if any) on all Warrants that will be outstanding under the Indenture following the issuance of such Additional County Obligations and containing a pledge of the Pledged Tax Proceeds for the benefit of any such Additional County Obligations; and

(b) a supplemental indenture between the Building Authority and the Trustee providing for and describing such Additional County Obligations.

If any Additional County Obligations are issued for the purpose of acquiring additional property in order to enlarge or expand the New County Jail, such supplemental lease will be required to subject such additional property to the demise of the Lease and such supplemental indenture will likewise be required to subject such additional property to the lien of the Indenture. The Lease will prohibit the Building Authority from issuing Additional County Obligations without the prior written consent of the County. The Building Authority will agree in the Lease, subject to certain conditions, to use its best efforts to issue and sell such Additional County Obligations as may be requested by the County.

SPECIAL COVENANTS OF THE COUNTY

In the Lease the County will enter into various covenants with the Building Authority and the Trustee, the purpose of which will be to insure that the County will continually lease the New County Jail from the Building Authority and will therefore make continuous use of the New County Jail until the Series 2000 Warrants have been fully paid and retired. Primary among those covenants will be an agreement of the County not to acquire, construct, lease, or use any building or jail facilities, or ancillary improvements other than the New County Jail for use as a county jail in and for the County while any of the Series 2000 Warrants remain outstanding; provided, that if, at any time prior to the date when all Series 2000 Warrants have been fully paid as therein provided, if the governing body of the County, or any court or agency having jurisdiction over the County shall determine that the need for jail facilities in the County exceeds the maximum capacity of the New County Jail plus the maximum capacity of all other County jail facilities then owned, leased, rented or used by the County, then the County may acquire, construct lease or use new or additional jail facilities, but only to the limited extent necessary to provide jail facilities for the number of prisoners which cannot then be accommodated by the New County Jail. Further, in the Lease the County will agree not to permit any prisoners held by the County (other than the number of prisoners that cannot then be accommodated by the New County Jail) to be incarcerated in any jail facility other than the New County Jail, either within or without the County, unless the term of the Lease shall have been renewed in each fiscal year of the County until the Series 2000 Warrants have been fully paid and retired.

In the Lease the County will also enter into certain covenants with the Building Authority and the Trustee to insure that the County will have available sufficient moneys with which to pay rentals due to the Building Authority under the Lease. Primary among these covenants will be a covenant of the County continually to levy and collect the Special County Tax at a rate not less than those rates presently in effect for so long as any of the Series 2000 Warrants shall remain outstanding, as well as a pledge of the Pledged Tax Proceeds for the payment of all rentals due to the Building Authority under the Lease, pro-rata and on a parity with any pledge made by the County for the benefit of any Additional County Obligations. The Lease will provide that the County will in each fiscal year of the County deposit so much of the Pledged Tax Proceeds received by the County in each such fiscal year into the Warrant Fund until there is on deposit in the Warrant Fund an amount equal to the entire amounts required to be paid into the Warrant Fund in that fiscal year. Thereafter the County may use any remaining Pledged Tax Proceeds for any lawful purpose.

THE NEW COUNTY JAIL

The New County Jail will consist of (i) a parcel of land approximately two acres in size (the "New County Jail Site"), located in the City of Evergreen in the County, (ii) a county jail building (the "New County Jail Building") to contain approximately 20,000 square feet of enclosed heated floor space that will be suitable for use as a short-term jail by the Sheriff of the County and other law enforcement agencies in the County, and (iii) equipment, furniture and fixtures (the "New County Jail Equipment") to be used in the New County Jail Building. Pursuant to the Lease, the Building Authority will cause the New County Jail Building to be constructed in accordance with plans and specifications to be furnished by the County and will acquire the New County Jail Equipment and cause the same to be installed in the New County Jail Building. As hereinbefore indicated, the New County Jail Site, the New County Jail Building, and the New County Jail Equipment are herein together referred to as the "New County Jail."

The work of acquiring, constructing and equipping the New County Jail, together with all other undertakings of the Building Authority related thereto, is herein sometimes referred to as the "Project Development Work." The Lease and the Indenture will obligate the Building Authority, after paying the expenses of issuing the Series 2000 Warrants, to pay all costs and expenses of the Project Development Work as directed by the County out of the proceeds of the Series 2000 Warrants (all such costs and expenses being herein together called the "Project Development Costs"), but only to the extent that such proceeds are sufficient theretofore.

The Indenture will require the net proceeds from the sale of the Series 2000 Warrants to be paid to the Trustee. The portion of the proceeds representing accrued interest on the Series 2000 Warrants will be deposited in the Warrant Fund established under the Indenture. The remaining proceeds after the payment of expenses of issuance of the Series 2000 Warrants will be deposited into the Construction Fund established under the Indenture. Proceeds held in the Construction Fund will be disbursed by the Trustee, pursuant to requisitions submitted by the County for the purpose of paying the Project Development Costs, including the reimbursement to the County of all such costs theretofore directly paid by it and all advances which it has made to the Building Authority for the payment of such costs.

USE OF PROCEEDS

The Building Authority expects that the total proceeds from the sale of the Series 2000 Warrants, as well as the temporary investment income from those proceeds, will be as follows:

Gross proceeds of the Series 2000 Warrants	\$ 3,395,000.00
Less Original Issue Discount	<u>25,849.70</u>
TOTAL	<u>\$ 3,369,150.30</u>

The Building Authority expects that the said proceeds will be applied as follows:

(a) for payment of the costs of acquiring, constructing and equipping the New County Jail	\$ 3,243,194.00
(b) for payment of the expenses of issuing the Series 2000 Warrants including underwriting discount	<u>125,956.30</u>
TOTAL	\$ 3,369,150.30

THE SPECIAL COUNTY TAX

The Special County Tax is levied and collected in the County under the authority of Section 215 of the Constitution of Alabama of 1901, as amended. The said Section 215, as so amended, provides that the proceeds of the Special Tax must first be applied to the costs of constructing or maintaining roads, bridges or public buildings in the County, such as the County Jail, before any such proceeds may be paid into the general fund of the County.

The County received the following respective amounts as the gross proceeds of the Special Tax in each of the past five fiscal years of the County:

<u>Fiscal Year</u> <u>Ending</u> <u>September 30</u>	<u>Net Proceeds</u>
1995	\$ 446,584
1996	396,255
1997	450,946
1998	466,539
1999	494,795

THE SPECIAL COURT FEES

The Special Court Fees are authorized to be collected in the County by Amendment No. 634 to the Constitution of Alabama of 1901, which was approved by the voters of the State of Alabama in November, 1998. The said Amendment No. 634 provides that the Special Court Fees may be applied only to the costs of constructing and equipping the New County Jail, to the costs of renovating or repairing the County Courthouse, or to payment of the principal of and the interest on any bonds, warrants or other obligations issued by or on behalf of the County to finance the costs of constructing and equipping the New County Jail or renovating or repairing the County Courthouse. The Special Court Fees began to be levied and collected in the County in the month of December, 1998.

The Special Court Fees received by the County in the 1999 calendar year were \$139,278. The County expects that it will receive in its current fiscal year and in each subsequent fiscal year of the County the Special Court Fees that will be not less than that amount.

THE PLEDGED TAX PROCEEDS

The County expects that in its current fiscal year (viz., in the fiscal year of the County that will end on September 30, 2000) the proceeds of the Special County Tax and the Special Court Fees paid to the County will be approximately equal to the proceeds of the Special County Tax paid to the County in the fiscal year of the County that ended on September 30, 1999, and the Special Court Fees paid to the County in the 1999 calendar year. Therefore, the Pledged Tax Proceeds expected to be received by the County in its current fiscal year will be \$634,073, or \$494,795 + \$139,278.

DEBT SERVICE AND COVERAGE

After issuance, the Series 2000 Warrants will constitute the only outstanding funded indebtedness of the County that is payable from the proceeds of the Pledged Tax Proceeds. The following table shows the annual debt service with respect to the Series 2000 Warrants in each fiscal year (viz., for the twelve months' period ending on September 30 in the calendar year indicated) at the rates of interest shown on the cover page of this Official Statement for the Series 2000 Warrants:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2000		\$ 53,285.00	\$ 53,285.00
2001	\$ 60,000	211,430.00	271,430.00
2002	65,000	207,867.50	272,867.50
2003	65,000	204,162.50	269,162.50
2004	70,000	200,315.00	270,315.00
2005	75,000	196,182.50	271,182.50
2006	80,000	191,765.00	271,765.00
2007	85,000	187,062.50	272,062.50
2008	90,000	181,850.00	271,850.00
2009	95,000	176,115.00	271,115.00
2010	100,000	170,070.00	270,070.00
2011	110,000	163,560.00	273,560.00
2012	115,000	156,585.00	271,585.00
2013	120,000	149,300.00	269,300.00
2014	130,000	141,550.00	271,550.00
2015	140,000	133,180.00	273,180.00
2016	145,000	124,200.00	269,200.00
2017	155,000	114,600.00	269,600.00
2018	165,000	104,360.00	269,360.00
2019	180,000	93,320.00	273,320.00
2020	190,000	81,480.00	271,480.00
2021	205,000	68,737.50	273,737.50
2022	215,000	55,087.50	270,087.50
2023	230,000	40,625.00	270,625.00
2024	245,000	25,187.50	270,187.50
2025	<u>265,000</u>	<u>8,612.50</u>	<u>273,612.50</u>
TOTALS	\$ 3,395,000	\$ 3,440,490.00	\$ 6,835,490.00

Maximum Annual Debt Service: \$ 273,737.50

Average Annual Debt Service: \$ 262,903

As previously stated, the proceeds of the Special County Tax received by the County in its fiscal year that ended on September 30, 1999 were \$492,795, and the Special Court Fees received by the County

in the 1999 calendar year were \$139,278, for a total of \$634,073. That amount will provide the following coverage of maximum annual debt service and of average annual debt service with respect to the Series 2000 Warrants:

Coverage of maximum Principal and Interest	2.32 times
Coverage of average Principal and Interest	2.41 times

WARRANTHOLDER RISKS

Prospective purchasers of the Series 2000 Warrants should be aware that there is no assurance (i) that the Pledged Tax Proceeds will be sufficient to pay the Basic Rent to the Building Authority in the future and also to permit the County to conduct its essential governmental functions and (ii) that the County will exercise its options to annually renew the Lease and thereby become obligated to make rental payments to the Building Authority until the Series 2000 Warrants are paid in full. Other developments could occur that would have a materially adverse effect on future revenues of the County which cannot now be foreseen.

SUMMARY OF DOCUMENTS

The following portion of this Official Statement contains summaries of certain provisions of the Lease and the Indenture. Such summaries do not purport to be complete descriptions and contain only brief outlines of the terms and provisions of such documents. The summaries are qualified in their entirety by reference to such documents, all of which will be available for inspection at the offices of the Trustee and the offices of The Frazer Lanier Company, Inc., in Montgomery, Alabama.

THE LEASE

The following, in addition to information herein contained under the headings "INTRODUCTION," "THE NEW COUNTY JAIL" and "THE SERIES 2000 WARRANTS," summarizes certain provisions of the Lease.

Performance of the Project Development Work

The Building Authority will agree in the Lease to acquire the New County Jail Site, to construct the New County Jail Building, to acquire the New County Jail Equipment and all other Project Development Work to be carried out to completion, all in accordance with plans, specifications and

directions to be provided by the County. The County will have the right to revise the plans and specifications for the New County Jail at any time and from time to time prior to the Completion Date applicable thereto, as such date is defined in the Lease. In the event the available proceeds from the sale of the Series 2000 Warrants are insufficient to pay all costs of completing the Project Development Work, the County will cause the applicable plans and specifications to be revised so as to reduce such costs, or will pay such excess costs with its own funds, or will pay into the Construction Fund established under the Indenture such moneys as are necessary for the Building Authority in connection with the Project Development Work shall be paid in full and that such work shall be completed to the extent necessary (i) for the interest on the Series 2000 Warrants to be and remain exempt from the Federal income taxation pursuant to the applicable provisions of the Internal Revenue Code and (ii) for the New County Jail to constitute a jail facility acceptable for use by the County.

Duration of Term

The initial term of the Lease will begin with the delivery of the Series 2000 Warrants and will continue, subject to prior termination as therein provided, until and including September 30, 2000, the last day of the current fiscal year of the County; however, the Lease shall contain a grant to the County of successive options to renew the Lease annually on the terms specified therein for subsequent fiscal years of the County until all Series 2000 Warrants issued under the Indenture have been fully paid as therein provided. The Lease shall provide that each option of renewing the Lease shall be deemed exercised on the first day of each fiscal year of the County, unless the County shall notify the Building Authority in writing no later than the first day of the next preceding fiscal year that the County will not exercise its option to renew the Lease for the next succeeding fiscal year. As hereinbefore stated, in the Lease the County will covenant that from the beginning of the initial term of the Lease until the date on which all the Series 2000 Warrants have been fully paid and retired as therein provided, the County will not acquire, construct, lease, rent or use any building or facilities, or ancillary improvements other than the New County Jail for use as a county jail in and for the County; provided, however, that if, at any time prior to the date when all Series 2000 Warrants have been fully paid as therein provided, if the County, or any court or agency having jurisdiction over the New County shall determine that the need for jail facilities in the County exceeds the maximum capacity of the County Jail plus the maximum capacity of all other New County jail facilities then owned, leased, rented or used by the County new or additional jail facilities may be acquired, leased, rented or used by the County, but only to the limited extent necessary to provide jail facilities for the number of prisoners which cannot then be accommodated by the New County Jail. Further, in the Lease the County will agree not to permit any prisoners held by the County (other than the number of prisoners that cannot be accommodated by the County Jail) to be incarcerated in any jail facility other than the New County Jail, either within or without the County, unless the term of the Lease shall have been renewed in each fiscal year of the County until the Series 2000 Warrants have been fully paid and retired.

Rental Provisions -- Pledge of the Pledged Tax Proceeds

The Lease will obligate the County to pay to the Trustee, for the account of the Building Authority, beginning on the first day of each fiscal year of the County during the term of the Lease (including any renewal terms), the Pledged Tax Proceeds, as the Pledged Tax Proceeds are received by the Tax Collector of the County, until an amount that will be equal to the entire interest maturing with respect to the Series

2000 Warrants, plus the entire principal (if any) of the Series 2000 Warrants maturing, or required by the terms of the Indenture to be redeemed, during any such fiscal year of the County. The County will also pay to the Trustee not less than ten (10) days prior to each March 1 and each September 1, any additional amounts that will be required to pay any installment of the principal of or the interest on the Series 2000 Warrants that shall come due on any such March 1 or September 1. There shall also be paid to the Trustee any amounts required to pay the Trustee's fees and charges for services performed under the Indenture, together with all advances made or expenses incurred by the Trustee in connection with the performance of its services during each fiscal year of the County (all such amounts being herein called "Basic Rent"). The Basic Rent will first be paid from the proceeds of the Special County Tax, then from the Special Court Fees, and then from any moneys of the County that shall be available for that purpose. The Lease will contain a pledge of the Pledged Tax Proceeds for the aforesaid purpose, on a parity of lien and pledge with any pledge that shall hereafter be made for the benefit of any Additional County Obligations. In the event that the Pledged Tax Proceeds are not sufficient for any of the foregoing purposes, the County will pay all remaining amounts due under the Lease from any funds that shall be available to it, and in no event will the County permit a default in the payment of Basic Rent due under the Lease to occur.

Operation, Maintenance and Modification of the New County Jail

The Lease will require the County, at its own expense, to keep the New County Jail in reasonably safe condition and to keep the New County Jail Building and the New County Jail Equipment in good repair and condition, reasonable wear and tear excepted, making from time to time all necessary repairs thereto. Neither the Building Authority nor the County will be obligated by the Lease to renew, repair or replace any of the New County Jail Equipment that, as a result of reasonable wear and tear or other causes, becomes worn-out, obsolete, inadequate or unsuitable in the use of the New County Jail by the County. The Lease will permit the County, at its own expense, to make any additions, alterations, improvements or modifications to the New County Jail Building that it may deem desirable for its purposes and that do not significantly impair the value or utility of the New County Jail or change its character to such extent that it no longer constitutes a "project" within the meaning of the Authorizing Act. All such additions, alterations, improvements and modifications made by the County will, under the terms of the Lease, become a part of the New County Jail.

Insurance

The Lease will require the County to keep the New County Jail continuously insured during the term of the Lease (including any renewal term) against such risks as are customarily insured against by like counties, which insurance shall include the following:

- (a) insurance against loss or damage to the New County Jail Building and the New County Jail Equipment by fire, lightening, wind, vandalism and malicious mischief, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in Alabama, to such extent as is necessary to provide for full payment of the costs of repairing or replacing the property damaged or destroyed or, if insurance to such extent is not available, to the extent of the full insurable value of said property;

(b) insurance against liability for personal or bodily injury to or death of persons and for damage to or loss of property occurring on the New County Jail or in any way related to the use of the New County Jail, in the minimum amounts of \$2,250,000 for death of or bodily injury to any one person, \$8,000,000 for all death and bodily injury claims resulting from any one accident, and \$300,000 for property damage; and

(c) insurance covering all costs incurred by the County upon any interruption of the use and occupancy of the New County Jail by the County.

Damage to or Destruction of the New County Jail

If the New County Jail is damaged or partially destroyed to such extent that the loss thereto is not greater than \$100,000, the County will be required by the Lease promptly to repair, replace or restore the property damaged or destroyed, applying for such purposes the insurance proceeds referable thereto, as well as providing any other funds required therefor. The County will be required to pay into the Warrant Fund established under the Indenture any of such insurance proceeds not needed for such repair, replacement or restoration. The Lease will further provide that if the New County Jail is damaged or destroyed to such extent that the loss thereto is greater than \$100,000, the insurance proceeds shall be paid to the Trustee and that the Trustee will, in accordance with the directions of the County, cause such insurance proceeds to be applied either for the repair, replacement or restoration of the property damaged or destroyed, or for the retirement of Series 2000 Warrants prior to maturity through the redemption or purchase thereof, or for any combination of such applications. Any insurance proceeds to be applied for the retirement of Series 2000 Warrants prior to maturity shall be deposited in the Warrant Fund established under the Indenture. The Lease will obligate the County to pay any costs of repairing, replacing or restoring any property damaged or destroyed that are in excess of the insurance proceeds available therefor, and any insurance proceeds intended to be used for the payment of the costs of such repair, replacement or restoration but not needed therefor shall be deposited in the Warrant Fund.

Condemnation of the New County Jail

In the event that the New County Jail or any part thereof is taken through the exercise of the power of eminent domain, the Lease will require the entire condemnation award to be paid to the Trustee. If all or substantially all the New County Jail is taken, the Trustee will be required to apply the condemnation award to the earliest practicable retirement of the Series 2000 Warrants, and the County will be required to pay to the Trustee, as additional Basic Rent, any amount in excess of the condemnation award necessary to retire all of the Series 2000 Warrants then outstanding under the Indenture, including principal, premium (if any), interest to maturity or earliest practicable redemption date, and the expenses of redemption. If less than substantially all of the New County Jail is taken, the Lease will provide (i) that all obligations of the County which are still capable of performance (including the provisions thereof requiring the payment of rent) shall continue in full force and effect and (ii) that the Trustee will, in accordance with the directions of the County, cause such condemnation award to be applied for the repair, replacement, restoration or rearrangement of any part of the New County Jail adversely affected by such taking, or for the acquisition of additional property which shall constitute part of the New County Jail subject to the demise of the Lease and the lien of the Indenture, or for the retirement of Series 2000 Warrants prior to maturity through the redemption or purchase thereof, or for any combination of such applications. Any condemnation award

or portion thereof to be applied for the retirement of Series 2000 Warrants prior to maturity shall be deposited in the Warrant Fund established under the Indenture. The Lease will obligate the County to pay any costs of repairing, replacing, restoring or rearranging the New County Jail affected by such taking, or the costs of acquiring any additional property, as the case may be, that are in excess of the condemnation award or portion thereof available therefor, and any portion of any condemnation award intended to be used for the payment of any such costs but not needed therefor shall be deposited in the Warrant Fund established under the Indenture.

Additional Covenants of the County

Use of New County Jail. During the term of the Lease the County will, in the use of the New County Jail, comply in all material respects with all valid and applicable laws, ordinances, regulations or orders of governmental authorities or agencies and will not do or permit anything to be done that will impair or contravene any policies of insurance carried with respect to the New County Jail.

Taxes, Assessments and Mechanics' Liens. The County will be obligated by the Lease to pay all taxes, assessments and other governmental charges that may be imposed on the County Jail, as well as taxes levied upon or with respect to the Building Authority's revenues or receipts from the New County Jail which, if not paid, would become a lien on the New County Jail prior to or on a parity with the lien of the Indenture and which would not constitute a "permitted encumbrance" as defined in the Lease. The County will also be obligated by the Lease to satisfy all mechanics' or other similar liens against the New County Jail which materially endanger the lien of the Indenture and to pay all utility and other similar charges incurred in the operation, use, maintenance and upkeep of the New County Jail.

Covenants with Respect to Use of Series 2000 Warrant Proceeds. In the Lease the County will covenant not to cause or permit the proceeds from the sale of the Series 2000 Warrants to be used in a manner which would cause the interest on such warrants to lose exemption from Federal income taxation conferred by the applicable provisions of the Internal Revenue Code. The County will also covenant to file, or cause to be filed, with the Internal Revenue Service any statements and reports required by applicable Federal tax laws and regulations to be so filed as a condition of the continued exemption from Federal income taxation of the interest on the Series 2000 Warrants.

Tax and No-Arbitrage Covenants. In the Lease the County will covenant not to take any action, or omit to take any action, if as a result of such action, or the omission to take such action, as the case may be, the Series 2000 Warrants would be considered "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986 and the applicable regulations thereunder, or to cause the interest on the Series 2000 Warrants to become includable in gross income for purposes of federal income taxation.

Options in Favor of the County

Option to Prepay Rent. The Lease will permit the County, at any time and from time to time and to the extent permitted by law, to prepay Basic Rent in an amount sufficient to retire and redeem any or all of the Series 2000 Warrants. Any prepaid Basic Rent referable to the Series 2000 Warrants shall be applied for their redemption at and for the redemption price applicable to the optional redemption thereof. See "Redemption Provisions -- Optional Redemption" under "THE SERIES 2000 WARRANTS." Any

such prepayment of Basic Rent will result in a total or partial abatement of the Basic Rent that would thereafter become due under the Lease had it not been for such prepayment.

Option to Purchase New County Jail. The Lease will grant to the County an option to purchase the New County Jail for \$100 at any time during the term of the Lease (including any renewal terms) after the Series 2000 Warrants and all outstanding Additional County Obligations that may have been issued under the Indenture have been fully paid or shall be deemed to have been fully paid within the meaning of the Indenture.

Utility Easements

The Building Authority will agree in the Lease to grant such utility, access and other similar easements over, across or under the real estate constituting part of the New County Jail as in the judgment of the County are necessary or convenient for the efficient operation of the New County Jail.

Events of Default and Remedies

Any one or more of the following events will constitute an "Event of Default" by the County under the Lease:

(a) failure by the County to pay any installment of Basic Rent or to make any other payment required by the Lease (other than any payment due the Trustee for its fees, charges or disbursements) as and when such installment or such payment shall become due and payable by the terms of the Lease;

(b) failure by the County to pay any amount due the Trustee for its reasonable fees, charges or disbursements within 30 days after written demand for such payment by the Trustee, which demand shall not be made earlier than the date on which such amount is due and payable;

(c) failure by the County to perform or observe any of its agreements or covenants contained in the Lease [other than its failure to pay, when due, any payment referred to in the preceding clauses (a) and (b)], which failure shall have continued for a period of 30 days after written notice of such failure shall have been given to the County, unless (i) the Building Authority and the Trustee shall agree in writing to an extension thereof, (ii) during such 30-day period or any extension thereof the County has commenced and is diligently pursuing appropriate corrective action, or (iii) the County is, by reason of force majeure, at the time prevented from observing or performing the agreement or covenant with respect to which it is delinquent;

(d) any warranty, representation or other statement by or on behalf of the County contained in the Lease or in any other document furnished by the County in connection with the issuance and sale of any of the Series 2000 Warrants being false or misleading in any material respect at the time made; or

(e) the appointment of a receiver for the New County Jail, readjustment of the obligations of the County under the bankruptcy laws or other similar events.

Whenever any Event of Default shall have occurred and be continuing, the Building Authority and the Trustee (or the Trustee on behalf of the Building Authority) may take any one or more of the following remedial actions: (i) take possession of the New County Jail and rent all or any part thereof for the account of the County, holding the County liable for the balance due under the Lease; (ii) terminate the Lease, take possession of the New County Jail and lease the same for the account of the Building Authority, holding the County liable for all rent and other amounts due under the Lease to the date such other lease is made for the account of the Building Authority; (iii) have access to, and inspect, examine and make copies of, the books, records and accounts of the County; and (iv) take whatever other actions at law or in equity may appear necessary or desirable to collect the rent then due or to enforce any obligation, covenant or agreement of the County under the Lease.

Amendment of the Lease

Any amendment of the Lease will require the prior written consent of the Trustee and must comply with the applicable provisions of the Indenture. See "Amendment of the Lease" under "SUMMARY OF THE INDENTURE."

THE INDENTURE

The following, in addition to the information herein contained under the headings "INTRODUCTION," "THE NEW COUNTY JAIL," "THE SERIES 2000 WARRANTS," and "THE LEASE," summarizes certain provisions of the Indenture.

The Construction Fund

The Indenture will establish a special trust fund (the "Construction Fund") to be used for paying all Project Development Costs, including the costs of performing the Project Development Work. The Indenture will require the Building Authority to pay into the Construction Fund the balance of the proceeds from the sale of the Series 2000 Warrants (excluding accrued interest) after paying the expenses of issuing the Series 2000 Warrants. The Trustee will be the depository and disbursing agent for the Construction Fund and will disburse moneys therefrom for the payment of Project Development Costs upon receipt of requisitions prepared and submitted by an authorized representative of the County.

The County will be required to make certain representations and certifications in connection with such requisition authorizing disbursements from the Construction Fund. The Trustee will be completely protected in relying upon all representations and certifications made by the County in connection with any such requisition.

The Indenture will provide for the transfer to the Warrant Fund established thereby of any moneys remaining in the Construction Fund after the date in which the County, in accordance with the Lease, certifies that the Project Development Work has been completed in all respects.

The Warrant Fund

The Indenture will establish a special trust fund (the "Warrant Fund") for the purpose of providing for the payment of the principal of and the interest and premium (if any) on the Series 2000 Warrants issued thereunder. The Trustee will be designated as the depository and disbursing agent for the Warrant Fund. The Indenture will require that all installments of Basic Rent, after subtracting Trustee's fees and expenses, payable under the Lease (including prepayments of such Basic Rent) be paid into the Warrant Fund, as such installments are received by the Trustee.

The Trustee will be required by the Indenture to make provision out of the moneys in the Warrant Fund for payment of the principal of and the interest on the Series 2000 Warrants, as the said principal and interest respectively become due, and for the redemption, prior to maturity, of any Series 2000 Warrants required by the provisions of the Indenture to be redeemed. Until all Series 2000 Warrants issued under the Indenture have been fully paid, moneys in the Warrant Fund shall be used solely for the payment of the interest on such Series 2000 Warrants, for the payment of the principal of such Series 2000 Warrants at their stated maturity and for the redemption of such Series 2000 Warrants under the conditions of redemption and at the redemption prices specified in the Indenture. Whenever the total of the moneys in the Warrant Fund established under the Indenture shall be sufficient to retire and redeem all the Series 2000 Warrants then outstanding, the Building Authority and the Trustee will be required by the Indenture to take all necessary actions to redeem and retire all such outstanding Series 2000 Warrants on the earliest practicable date on which under the terms of the Indenture they may be so redeemed and retired.

Remaining Pledged Tax Proceeds

While all payments required to be made into the Warrant Fund have been made in each fiscal year of the County, then any remaining Pledged Tax Proceeds received by the County during each such fiscal year may be used by the County for any lawful purpose.

Investment of Funds

The Indenture will authorize the County to furnish to the Trustee, from time to time, a certificate requesting the investment of moneys on deposit in the Construction Fund and stating (i) what portion of such moneys are not then needed for the payment of Project Development Costs and (ii) the approximate dates that such then unneeded moneys will be needed for the payment of such costs. In response to such certificate the Trustee, to the extent practicable, will invest such then unneeded moneys in Federal Securities or Eligible Certificates (as hereinafter defined). In making such investments, the Trustee will follow the written directions of the County, provided that such directions are consistent with other applicable provisions of the Indenture.

The Indenture will require the Trustee to keep all moneys on deposit in the Warrant Fund fully invested to the extent practicable. Moneys on deposit in the Warrant Fund will be required to be invested only in Federal Securities or Eligible Certificates. The Indenture will require investments forming a part of the Warrant Fund to come due at such times and in such amounts as will assure the availability of cash sufficient to pay, when due, required debt service with respect to the Series 2000 Warrants, including any required redemption of such Series 2000 Warrants.

As used in this Official Statement, the terms "Federal Securities" and "Eligible Certificates" shall have the following meanings: "Federal Securities" means securities that are direct obligations of the United States of America or that are unconditionally guaranteed by the United States of America as to the payment of both principal and interest; "Eligible Certificates" means certificates of deposit issued by any bank organized under the laws of the United States of America or any state thereof and whose deposits are insured by the Federal Deposit Insurance Corporation or its successor, provided that the portion of any such certificates of deposit in excess of the amount insured by the Federal Deposit Insurance Corporation or its successor shall be secured by deposit with a Federal Reserve Bank or with any national or state bank located within the State of Alabama of Federal Securities in an aggregate principal amount at least equal to the amount of such excess.

Events of Default and Remedies

An "Event of Default" by the Building Authority under the Indenture will result from (i) the failure by the Building Authority to pay, when due, the principal of and the interest and premium (if any) on any of the Series 2000 Warrants, or (ii) an "Event of Default" by the County under the Lease (as "Event of Default" is defined in the Lease), or (iii) the failure by the Building Authority to perform any of its obligations under the Indenture if, after 60 days' written notice to it of such failure, it shall not have commenced and be diligently pursuing appropriate corrective action or (iv) any warranty, representation or other statement by or on behalf of the Building Authority in the Lease or the Indenture or in any certificate furnished with respect thereto being false and misleading in any material respect at the time made, or (v) the appointment of a receiver for the New County Jail, readjustment of the obligations of the Building Authority under the bankruptcy laws or other similar events.

The Indenture will provide that the Trustee is empowered to accelerate the maturity of the Series 2000 Warrants upon the occurrence of an "Event of Default" under the Lease (as "Event of Default" is therein defined) or upon the occurrence of a default in the payment of the principal of and the interest or premium (if any) on the Series 2000 Warrants. The Indenture will further provide that the Trustee is empowered, upon the occurrence of any Event of Default thereunder, to take whatever other actions at law or in equity may appear necessary or desirable to enforce any obligation of the Building Authority thereunder.

If, upon the occurrence of an Event of Default under the Indenture, the Building Authority makes good the default which is the reason for such Event of Default and every other default thereunder, except any principal and interest declared payable that would not otherwise be due, with interest on all overdue payments of principal, interest and premium (if any), and makes reimbursement of all the reasonable expenses of the Trustee, then the Trustee may in its discretion, and shall upon the written request of the holders of a majority in principal amount of the Series 2000 Warrants then outstanding under the Indenture, waive such default and its consequences. Further, except in the case of a default in the payment of the

principal of or the interest or premium (if any) on the Series 2000 Warrants, the Trustee may in its discretion, and shall upon the written request of the holders of a majority in principal amount of the Series 2000 Warrants then outstanding under the Indenture, waive such default and its consequences without the Building Authority having theretofore made good such default.

Except for giving notice to the holders of registered Series 2000 Warrants, the Indenture will not require the Trustee to take any action with respect to an Event of Default thereunder or any event which, with the giving of notice or the passage of time or both, would constitute an Event of Default, unless requested so to do by the holders of 25% in principal amount of the Series 2000 Warrants then outstanding thereunder. The Indenture will further provide that the Trustee is not required, upon the occurrence and continuation of an Event of Default, to exercise any of its rights or powers thereunder unless requested so to do by the holders of 25% or more in principal amount of the Series 2000 Warrants then outstanding. Whenever the Trustee shall have a choice of remedies or a discretion as to details in the exercise of its powers with respect thereto, it will be required, under the terms of the Indenture, to follow any specific directions given by the holders of a majority in principal amount of the Series 2000 Warrants at the time outstanding, unless the observance of such directions would, in the opinion of the Trustee, unjustly prejudice any nonassenting warrant holders.

Supplemental Indentures

The Indenture will permit the Building Authority and the Trustee, without the consent of or notice to any warrant holders to enter into supplemental indentures (which will become a part of the Indenture) for the purpose of adding further covenants and agreements on the part of the Building Authority, curing ambiguities, defects or inconsistent provisions, subjecting additional property and the revenues therefrom to the lien of the Indenture, and substituting real property for the real property initially comprising the New County Jail Building and thereby subjecting the substituted real property to the lien of the Indenture and releasing the original real property therefrom; provided such substituted real property must have equal or greater utility to the operation of the New County Jail as certified in writing by a representative of the County; and provided that in no event shall such substitution of real property be allowed after construction of the New County Jail on said real property has begun, without the written consent of the holders of a majority in principal amount of the Series 2000 Warrants then outstanding. The Indenture will also permit the Building Authority and the Trustee to enter into other supplemental indentures, with the written consent of the holders of a majority in principal amount of the Series 2000 Warrants then outstanding thereunder, except that, without the written consent of the holder of each Series 2000 Warrant affected, the Building Authority and the Trustee may not enter into any supplemental indenture that has the effect of reducing the principal amount of, the rate of interest on, or the premium payable upon the redemption of, any Series 2000 Warrant. Moreover, without the written consent of the holders of all the Series 2000 Warrants then outstanding under the Indenture, the Building Authority and the Trustee will not be permitted to enter into any supplemental indenture permitting the extension of the maturity of any installment of principal of or interest on any Series 2000 Warrant, a reduction in principal amount or a postponement in the redemption date of any Series 2000 Warrants required to be redeemed prior to the stated maturities thereof pursuant to any mandatory redemption provisions applicable to such Series 2000 Warrants, the creation of a lien or charge on the New County Jail or on the revenues therefrom ranking prior to or on a parity with the Indenture, the establishment of preferences or priorities as between Series 2000 Warrants, or a reduction in the aggregate principal amount of Series 2000 Warrants the holders of which are required to consent to such supplemental indenture.

Amendment of the Lease

The Indenture will permit the County and the Building Authority, with the written consent of the Trustee but without the consent of or notice to any warrant holders, to amend the Lease for the purpose of substituting or adding property subject to the demise thereof, curing ambiguities, defects or inconsistent provisions, or making provision with respect to matters arising under the Lease for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of the Lease or the Indenture and do not, in the judgment of the Trustee, adversely affect the interest of the warrant holders. The Indenture will also permit the County and the Building Authority, with the written consent of the Trustee and the holders of a majority in principal amount of the Series 2000 Warrants then outstanding thereunder, to amend the Lease to such extent as shall be deemed necessary or desirable by the Building Authority and the County, except that, without the written consent of the holders of all the Series 2000 Warrants then outstanding under the Indenture, no such amendment with respect to the Lease shall permit a reduction in the amount of Basic Rent payable under the Lease (other than a reduction resulting from, and directly proportional to, a reduction in the amounts required for payment of the principal of or the interest or premium (if any) on the Series 2000 Warrants), any change in the due dates of the installments of Basic Rent, or any other change that, in the sole judgment of the Trustee, might adversely affect the interests of the warrant holders.

The Trustee

In the Indenture the Trustee will agree to perform the duties required of it therein, either expressly or by reasonable implication, but the Trustee will not be liable under the Indenture except for its noncompliance with the provisions thereof, its willful misconduct or its gross negligence.

The Building Authority's obligation to pay the expenses incurred by the Trustee and the advances made by it in the performance of its duties under the Indenture, as well as reasonable compensation for the Trustee's services, will be secured by the Indenture, and the payment of such expenses, advances and compensation will be given priority in the Indenture over the payment of the principal of and the interest and premium (if any) on the Series 2000 Warrants.

The Indenture will permit the Trustee, upon written notice to the Building Authority and publication of such notice as required in such Indenture, to resign and be discharged of the trusts created thereby. Any successor Trustee shall be a bank or trust company authorized to administer trusts and having combined capital, surplus and undivided profits of at least \$100,000,000.

Defeasance of the Indenture

The Indenture will provide that it may be canceled and satisfied of record upon the deposit with the Trustee of cash sufficient to provide for full payment of all the Series 2000 Warrants then outstanding thereunder, including the interest that will mature thereon until such payment. In addition, any of the Series 2000 Warrants may, for purposes of the Indenture, be considered as fully paid upon the execution by the Building Authority and the Trustee of an appropriate trust agreement under which there shall be deposited, for payment or redemption of such Series 2000 Warrants and for payment of the interest to

mature thereon until maturity or redemption, Federal Securities or any combination of cash and Federal Securities, which together with the income anticipated to be derived from such securities, will produce moneys sufficient to provide for the payment, redemption and retirement of such Series 2000 Warrants. For purposes of said trust agreement, Federal Securities shall have the meaning given to such term in the section hereof captioned "Investment of Funds" under "THE INDENTURE."

Further conditions precedent to any of the Series 2000 Warrants being considered "paid" as a result of the effectuation of any such trust agreement are (i) that there shall have theretofore been adopted all necessary proceedings relating to the redemption of any Series 2000 Warrants that are required to be opinion of nationally recognized bond counsel to the effect that the effectuation of any such trust agreement will not result in subjecting to Federal income taxation the interest on any of the Series 2000 Warrants that are to be paid pursuant to such trust agreement, and (iii) that the Trustee shall have been furnished a certificate of a firm of certified public accountants stating that the trust fund established by such trust agreement will produce moneys sufficient to provide for the full payment and retirement of such Series 2000 Warrants.

When any of the Series 2000 Warrants are considered "paid" under the conditions described above, they shall no longer be secured by or entitled to the benefit of the Indenture (except for the right to have the moneys held for their benefit to be applied to the payment of the principal thereof and the interest and premium, if any, thereon), nor will the holders of such Series 2000 Warrants (or the Trustee on their behalf) thereafter have any rights whatever against the County under the Lease, even though for some reason moneys for the payment of the principal and the interest and premium (if any) on such Series 2000 Warrants may not be available on the respective due dates thereof.

Should any of the Series 2000 Warrants not be presented for payment when due, the Trustee will be required, subject to the provisions of any applicable escheat or other similar law, to retain and set aside in the Warrant Fund (but separate and apart from the other moneys therein) a sum of money sufficient to pay such Series 2000 Warrants when the same shall be presented (upon which sum the Trustee shall not be required to pay interest and which the Trustee may not invest). All liability of the Building Authority to the holders of such Series 2000 Warrants and all rights of such holders against the Building Authority under such Series 2000 Warrants or under the Indenture shall thereupon cease and terminate, and the sole right of such holders shall thereafter be against such deposit.

LITIGATION

There is no litigation pending or, to the knowledge of the Building Authority, threatened, contesting the validity of the Series 2000 Warrants or relating to the organization of the Building Authority, the right of the Building Authority to construct or finance the New County Jail, the incumbency of any of the Building Authority's officers, or the issuance or sale of the Series 2000 Warrants. Simultaneously with the delivery of the Series 2000 Warrants, the Building Authority will deliver a certificate to the effect that no such litigation is pending or, to the knowledge of the Building Authority, threatened.

UNDERWRITING

The Series 2000 Warrants have been purchased from the Building Authority pursuant to a Warrant Purchase Agreement for reoffering by the Underwriter, The Frazer Lanier Company, Inc. Said Warrant Purchase Agreement provides that the Underwriter will take and pay for all the Series 2000 Warrants if any are taken. The Underwriter, subject to certain terms and conditions set forth in said Warrant Purchase Agreement, has agreed to purchase the Series 2000 Warrants at a price of \$3,269,150.30, which reflects an underwriting discount of \$100,000, as well as an "original issue discount" of \$25,849.70. The Underwriter may offer and sell the Series 2000 Warrants to certain dealers and others at prices lower than the public offering price, and the Underwriter may also change the offering price of the Series 2000 Warrants from time to time.

APPENDICES

The Appendices to this Official Statement contain information which should be carefully considered prior to making an investment decision. Each such Appendix is an integral part of this Official Statement and should be read in its entirety.

The Appendices include:

- Appendix A: Demographic Information Regarding the County
- Appendix B: Financial Information Regarding the County
- Appendix C: Proposed Opinion of Bond Counsel

TAX EXEMPTION

In the opinion of Haskell Slaughter & Young, L.L.C., Birmingham, Alabama, Bond Counsel, the interest on the Series 2000 Warrants will not be includable in the gross income of the respective holders thereof for purposes of income taxation by the United States of America under existing statutes, regulations, rulings and court decisions, except as set forth hereinbelow. In the opinion of Bond Counsel, interest on the Series 2000 Warrants will be exempt from income taxation by the State of Alabama under existing statutes.

Prospective purchasers of the Series 2000 Warrants should be aware of the provision included in the Code which requires that interest on the Series 2000 Warrants received by a corporation (as defined for federal income tax purposes) is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. Also, the interest on the Series 2000 Warrants will be subject to the environmental tax imposed on corporations and, in the case of United States foreign corporations, the branch profits tax imposed by the Code. Prospective purchasers of the Series 2000 Warrants should also be aware of the provision of the Code which will require property

and casualty insurance companies owning Series 2000 Warrants to reduce their loss reserve deduction by 15% of the interest received or accrued on the Series 2000 Warrants.

Furthermore, prospective purchasers of the Series 2000 Warrants should recognize that interest on the Series 2000 Warrants may become subject to federal income taxation from the date of issuance in the event that the Building Authority and the County fail to satisfy certain requirements imposed by the Code respecting (i) limitations on the use of Series 2000 Warrant proceeds in the trade or business of, or to make or finance loans to, persons other than governmental units, (ii) restrictions on investment earnings on proceeds of the Series 2000 Warrants, and (iii) the rebate to the federal government of certain arbitrage profits.

Prior to enactment of the Code, financial institutions (including commercial banks) generally were permitted to invest deposited funds in tax-exempt obligations, while continuing to deduct interest paid to depositors. The corporate tax preference rules reduced by 20% the amount which could be deducted by financial institutions for interest on funds allocable to tax-exempt obligations acquired after 1982. The Code denies financial institutions 100% of interest deductions that are allocable to tax-exempt obligations acquired on or after August 8, 1986. The prior law (i.e., 20-percent) reduction will continue to apply with respect to "qualified tax-exempt obligations" acquired by financial institutions on or after August 8, 1986. Qualified tax-exempt obligations will have to be designated as such by the issuer; not more than \$10 million of obligations may be so designated by an issuer (including subordinate entities) for any calendar year. Under the Code, qualified tax-exempt obligations will be treated as acquired by the financial institution before August 8, 1986. The Series 2000 Warrants are being designated as qualified tax-exempt obligations by the Building Authority and the County, and under the Code the interest allocable to the Series 2000 Warrants will remain subject to the 20-percent disallowance contained in present law.

Although interest on the Series 2000 Warrants will be exempt from federal income taxation as discussed in the preceding paragraphs, the Social Security Amendments of 1983 provide that, under certain circumstances, receipt of such tax-exempt interest could subject to federal income taxation a portion of Social Security or railroad retirement benefits received by a warrant holder that would not otherwise be taxable. A prospective purchaser of the Series 2000 Warrants should consult his personal tax adviser in this regard in connection with his decision to purchase any of the Series 2000 Warrants.

BANK QUALIFICATION

In the resolution of the Board of Directors of the Building Authority authorizing the issuance of the Series 2000 Warrants the Building Authority will designate the Series 2000 Warrants as "qualified tax-exempt obligation" under Section 265(b) of the Internal Revenue Code of 1986, and the Conecuh County Commission will also deliver a certificate to the Building Authority stating that the County does not expect that total borrowings of the County and entities subordinate to the County in the 2000 calendar year will exceed \$10,000,000. As a result of that designation and the said statement of the Conecuh County Commission, the Series 2000 Warrants may be treated by financial institutions as though they were acquired on August 7, 1986, and there may be allowed to such financial institutions that purchase the Series 2000 Warrants a deduction of up to 80% of the interest paid to depositors that is allocable to the Series 2000 Warrants by such financial institutions.

LEGAL MATTERS

The legality and validity of the Series 2000 Warrants will be approved by Haskell Slaughter & Young, L.L.C., Bond Counsel, of Birmingham, Alabama, whose approving opinion will be delivered with such warrants. Said law firm's employment as Bond Counsel in connection with the issuance of the Series 2000 Warrants is limited to the preparation of certain legal documents and supporting certificates, to a review of the transcript of proceedings by which the Series 2000 Warrants have been authorized to be issued and to the issuance of an approving opinion in conventional form relating solely to the validity of the Series 2000 Warrants, to the legal security for their payment, and to the exemption of interest on the Series 2000 Warrants from income taxation by the United States of America and the State of Alabama. Certain legal matters will be passed upon for the County and for the Building Authority by its counsel, Frederick H. Stevens of Evergreen, Alabama.

CONTINUING DISCLOSURE

In the Lease the County has covenanted, for the benefit of holders of the Series 2000 Warrants, to provide certain annual financial information (the "Annual Report") relating to the County within 180 days after the end of each fiscal year of the County, to provide financial statements of the County when such financial statements become available, and to provide notices of the occurrence of certain events specified in Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Specified Events"), if deemed by the County to be material to holders of the Series 2000 Warrants.

The Annual Report shall include (i) the Pledged Tax Proceeds receivable by the County during the immediately preceding fiscal year, (ii) a summary of the revenues and expenditures for the immediately preceding fiscal year of the County, (iii) summary information respecting the then current budgets for the County, (iv) summary information concerning the then outstanding indebtedness of the County, and (v) a summary of any pending or threatened litigation deemed material to the holders of the Series 2000 Warrants. The County may, solely as a matter of administrative convenience, provide the Annual Report in a format that includes other information in addition to the items identified in the preceding sentence, it being understood that any such provision of any such additional information one year shall not result in an obligation to provide such additional information in any subsequent year.

The Specified Events currently include the following:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or failure of any such provider to perform;
- (6) Adverse tax opinions or events affecting the tax-exempt status of the Series 2000 Warrants;
- (7) Modifications to rights of holders of Series 2000 Warrants;
- (8) Calls for redemption of any of the Series 2000 Warrants;
- (9) Defeasances;

- (10) Release, substitution, or sale of property securing repayment of the Series 2000 Warrants;
and
- (11) Rating changes.

The Annual Report and financial statements (if any) of the County will be filed by the County with each nationally recognized municipal securities information repository and with the appropriate state information depository (if any such state depository exists). The notices of Specified Events will be filed by the County, in a timely manner, with each nationally recognized municipal securities information repository or with the Municipal Securities Rulemaking Board and with the appropriate state information depository (if any such state depository exists).

At this time no state information depository has been established in Alabama, and the County has no knowledge of any plans for the establishment of such a depository.

The foregoing covenants of the County have been made for the express purpose of complying with the requirements of the aforesaid Rule 15c2-12 and shall be deemed to be revised and amended if and to the extent that the pertinent provisions of said Rule are hereafter amended. Such covenants, and the County's obligations pursuant thereto, shall automatically terminate (a) upon the payment in full of all of the Series 2000 Warrants or (b) when all of the Series 2000 Warrants shall be deemed to be paid within the meaning of the Indenture and the pledge of the Pledged Tax Proceeds contained in the Lease with respect to the Series 2000 Warrants has been discharged and satisfied.

Any holder of a Series 2000 Warrant may take such action as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its covenants respecting continuing disclosure. Under the provisions of the Lease, the sole remedy available in the event of a failure to comply with such covenants shall be an action to compel performance.

MISCELLANEOUS

Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of such statements will be realized.

References herein to legislative acts are intended to be only brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof.

The execution and delivery of this Official Statement on behalf of the Building Authority and the distribution and use thereof by the Underwriter for the purpose of making a public offering of the Series 2000 Warrants have been duly authorized by the Building Authority.

THE CONECUH COUNTY PUBLIC
BUILDING AUTHORITY

By /s/ Billy G. Mims, Sr.
President

May 24, 2000

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APPENDIX A

CONECUH COUNTY

General Information

Conecuh County is a political subdivision of the State of Alabama. The County is located in the mid-southern section of the State of Alabama, and has an area of 854 square miles. The County shares common boundaries with Butler County to the north, Monroe County to the west, Escambia County to the south and Covington County to the east.

The principal municipality of the County is the City of Evergreen. The County is traversed by Interstate Highway I-65, U.S. Highways 31 and 84 and by Alabama Highways 3, 12, 41, and 83. The County is served by Greyhound bus lines and by the Seaboard System railroad. A state-licensed airport with a runway of 4,000 feet is operated in Evergreen. The major agricultural product of the County is cattle, and the major manufactured products are lumber, forest products and wood products.

Population

The following table sets forth certain historical population statistics from the U.S. Census Bureau relating to the County:

<u>Census Year</u>	<u>Population of Conecuh County</u>	<u>Percent Change</u>
1970	15,645	N/A
1980	15,884	1.52%
1990	14,054	(11.5)
2000 (est.)	13,875	(1.3)

Economy

The median family income for Conecuh County, the State of Alabama and the United States has been as follows for the calendar years indicated:

<u>Area Measured</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Conecuh County	\$ 24,700	\$ 25,400	\$ 26,900	\$ 29,100	\$ 32,000	\$ 34,900
State of Alabama	32,300	32,500	33,900	37,100	38,700	41,500
United States	39,900	40,200	41,600	43,500	45,300	47,800

Source: U. S. Department of Housing and Urban Development, Office of Economic Affairs; Center for Business and Economic Research, The University of Alabama

Employment. The following table sets forth certain information regarding employment in the County as of the month of October, 1999:

<u>Employment Status</u>	<u>Number of Persons</u>
Civilian Labor Force	6,668
Employment	6,164
Unemployment	504
Unemployment Rate*	7.6%

*Computed using unrounded data.

Source: Alabama Department of Industrial Relations

Annual unemployment rates for the County, the State of Alabama and the United States as of the month of October 1999 were as follows:

	<u>1999</u>
Conecuh County	7.6%
State of Alabama	4.6%
U.S. National Average	3.8%

Source: Alabama Department of Industrial Relations

Major Employers. The following table sets forth certain information with respect to certain of the major employers in the County:

<u>Employer</u>	<u>Product or Industry</u>	<u>Employees</u>
Knud Nielson Company	Dried Flora Processing	337
Conecuh County Board of Education	K-12	286
Truss Joist McMillen	Timber Products	240
Gerber Children's Wear	Children's apparel	156
Schneider Truck Lines	Freight Shipment	103
Conecuh County Commission	Government	101
Louisiana Pacific	Trucking/ Shipping	81
Evergreen Transportation	Freight Shipment	80
City of Evergreen	Government	72
Alabama Department of Transportation	Transportation	50

Source: Conecuh County, City of Evergreen, Alabama

Ad Valorem Taxation in Conecuh County

The total net assessed valuation of the taxable property (including automobiles) in the County for the last five fiscal years has been as follows:

<u>Fiscal Year Ending</u> <u>September 30</u>	<u>Total Assessed</u> <u>Valuation (net)</u>
1995	\$84,954,410
1996	96,599,790
1997	97,226,443
1998	93,705,643
1999	97,087,601

Variations in the assessed valuation of taxable property in the County as shown above reflect the results of certain reappraisals of the assessed value of such property undertaken in the County in recent fiscal years.

Source: Revenue Commissioner of Conecuh County

Total Ad Valorem Tax Rate on Property in Conecuh County

<u>Tax Rate</u>	<u>Mills</u>
STATE:	
General	2.5
Soldiers and Historical Commission	1.0
Schools	3.0
COUNTY:	
General	8.0
Road & Bridge	7.0
School-County-Wide	6.5
Fire	3.0
School-District	3.0
Total Tax Rates	

The following table sets forth certain information with respect to the ten (10) largest ad valorem taxpayers in the County:

<u>Taxpayer</u>	<u>Ad Valorem Taxes Paid Fiscal Year 1998-99</u>
Cedar Creek Land and Timber	66,551.58
Jefferson Smurfit, Inc.	61,794.12
Alabama Electric	53,031.28
Bell South	52,628.18
Southern Pine Electric	48,987.34
Knud Nielson Co., Inc.	44,875.46
CSX	40,736.18
McMillan Trust	33,974.36
J.F.B Lowery	23,930.30
Sustainable Forest	14,343.90

Source: Revenue Commissioner of Conecuh County

Miscellaneous Tax Information

Under present law, the rate at which County ad valorem taxes are levied may under certain circumstances be increased if the increase is proposed by the governing body of the County, considered at a public hearing, approved by an act of the Legislature, and ratified by a majority vote of the qualified electors of the County.

Under separate laws, the State of Alabama levies a \$.07 per gallon gasoline tax and \$.04 per gallon gasoline tax. The remittances by the State to local governments are made on a distribution formula based on population and miles of roads. The Constitution of Alabama requires that all gasoline tax proceeds be used only for construction and maintenance of roads and bridges.

Other revenues of the County include interest on investments, deed and mortgage taxes, fees and commissions of County officials, and other miscellaneous revenues. Under general authority granted to the County by the Legislature, the County levies, in addition to the aforementioned taxes, certain other license taxes on the privilege of engaging in certain activities within the County.

All privilege, license and other excise taxes (including license taxes based on gross receipts) that are collected in the County must be levied at rates that are not confiscatory or "unreasonable."

Present Indebtedness and Constitutional Debt Limit

The presently outstanding indebtedness of the County is as follows:

(1) General Obligation:

(a)	Taxable Industrial Development Bonds, Series 1998	\$ 295,000
(b)	General Obligation Tax Warrants, Series 1997	490,000
(c)	General Obligation Refunding and Improvement Warrants, Series 1995	1,545,000
(d)	Various lease obligations	<u>214,168</u>
	Total	\$ 2,544,168

(2) Limited Obligation:

(a)	State Gasoline Tax Anticipation Warrants, Series 1993	\$ 600,000
(b)	State Gasoline Tax Anticipation Warrants, Series 1995	1,395,000
(c)	Various lease obligations	1,418,230
(d)	The Series 2000 Warrants	<u>3,395,000</u>
	Total	\$ 6,808,230

(3) Other:

(a)	Revenue Warrants, Series 1994 (DHR Project)	<u>\$ 1,000,000</u>
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The Constitution of Alabama of 1901 provides that no county shall become indebted in an amount greater than five percent (5%) of the assessed value of the property located therein. The Series 2000 Warrants will not be chargeable against the constitutional debt limit of the County. The assessed valuation of all taxable property in the County for the tax year ending September 30, 1999, was \$97,087,601, so that at present the constitutional debt limit of the County is \$4,854,380 (viz., \$97,087,601 x 5%). The County now has outstanding unfunded obligations that are chargeable against its constitutional debt limit in an amount that does not exceed \$50,000, in addition to its funded general obligation indebtedness listed above in the amount of \$2,544,168, for a total of \$2,594,168. Therefore the County may borrow an additional \$2,260,212 (viz., \$4,854,380 - \$2,594,168) without violating its constitutional debt limit.

**APPENDIX B
FINANCIAL INFORMATION REGARDING
THE COUNTY**

**CONECUH COUNTY COMMISSION
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
For the Fiscal Year Ended September 30, 1998**

	Governmental Fund Types			Fiduciary		Trade Memorandum Only Current Year
	General	Special Revenue	Debt Service	Capital Projects	Fund Type Expendable Trust	
<u>REVENUES</u>						
Taxes	\$ 1,040,812.76	\$ 1,542,622.76	\$	\$	\$ 195,489.73	\$ 2,778,925.25
License and Permits	222,994.63					222,994.63
Intergovernmental	126,680.50	2,138,484.66			93,316.42	2,358,481.58
Charges for Services	66,713.33				40,406.46	107,119.79
Miscellaneous	106,078.60	15,464.79			1,459.99	123,003.38
TOTAL REVENUES	\$ 1,563,279.82	\$ 3,696,572.21	\$ 0.00	\$ 0.00	\$ 330,672.60	\$ 5,590,524.63
<u>EXPENDITURES</u>						
Current:						
General Government	\$ 822,155.91	\$ 403,170.46	\$	\$	\$ 329,534.33	\$ 1,554,860.70
Public Safety	703,281.78					703,281.78
Highways and Roads		891,446.87				891,446.87
Education	43,654.82					43,654.82
Sanitation		413,813.42				413,813.42
Capital Outlay	39,939.62	30,838.20				70,777.82
Debt Service:						
Principal Retirement	327,486.43	663,176.61				990,663.04
Interest & Fiscal Charges	119,423.33	62,062.19				181,485.52
TOTAL EXPENDITURES	\$ 2,055,941.89	\$ 2,464,507.75	\$ 0.00	\$ 0.00	\$ 329,534.33	\$ 4,849,983.97
Excess (deficiency) of Revenues Over Expenditures	\$ (492,662.07)	\$ 1,232,064.46		\$	\$ 1,138.27	\$ 740,540.66
<u>OTHER FINANCING SOURCES (USES)</u>						
Sale of Land	\$ 325,000.00					\$ 325,000.00
Sale of Equipment		623,625.00				623,625.00
Operating Transfers In	1,282,794.21	1,712,615.96			\$ 11,000.00	3,006,410.17
Operating Transfers Out	(597,452.73)	(989,161.21)			(24,033.19)	(1,610,647.13)
TOTAL OTHER FINANCING SOURCES (USES)	\$ 1,010,341.48	\$ 1,347,079.75	\$ 0.00	\$ 0.00	\$ (13,033.19)	\$ 2,344,388.04

CONECUH COUNTY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES AND USES
For the Fiscal Year Ended September 30, 1992

	Governmental Fund Types						September 30 1999	September 30 1998
	General	Special Revenue	Debt Service	Capital Projects	Proprietary Fund Types	Fiduciary Fund Types	Other Funds	
REVENUES	\$ 1,632,794	\$ 3,824,714	\$	\$ 64,320	\$	\$ 341,726	\$ 5,863,554	\$ 5,590,525
OTHER FINANCING SOURCES:								
Proceeds from loans, sale of Warrants, etc.	\$ 350,000	\$	\$	\$	\$	\$	\$ 350,000	\$
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 1,982,794	\$ 3,824,714	\$ 0	\$ 64,320	\$ 0	\$ 341,726	\$ 6,213,554	\$ 5,590,525
EXPENDITURES:								
Current and Capital Outlay	\$ 1,874,391	\$ 1,849,893	\$	\$ 64,320	\$	\$ 317,944	\$ 4,106,548	\$ 3,677,835
Debt Service	448,742	727,739					1,176,481	1,172,149
TOTAL EXPENDITURES	\$ 2,323,133	\$ 2,577,632	\$ 0	\$ 64,320	\$ 0	\$ 317,944	\$ 5,283,029	\$ 4,849,984

Note: The above figures do not include inter-fund transfers

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APPENDIX C

[Proposed Form of Legal Opinion]

The Conecuh County Public
Building Authority
Evergreen, Alabama

The Frazer Lanier Company, Incorporated
Montgomery, Alabama

Dear Sirs:

We have examined certified copies of proceedings and other documents showing the organization under the laws of the State of Alabama of THE CONECUH COUNTY PUBLIC BUILDING AUTHORITY (herein called the "Building Authority"), together with copies of proceedings of the Building Authority and other documents submitted to us pertaining to the issuance and validity of

\$3,395,000

THE CONECUH COUNTY PUBLIC BUILDING AUTHORITY

Revenue Warrants
(Conecuh County Jail Project)
Series 2000

Dated June 1, 2000

(which are herein called the "Series 2000 Warrants"). We have not examined any of the executed Series 2000 Warrants, but we have been furnished with appropriate certificates respecting their form and due execution. In our examination of all documents pertaining to the issuance of the Series 2000 Warrants, we have assumed the authenticity of documents submitted to us as originals, the conformity to the original documents of documents submitted to us as copies, the authenticity of the originals of such latter documents and the correctness of any facts stated in such documents.

The documents submitted to us show as follows:

(a) the Series 2000 Warrants have been issued under a Mortgage and Trust Indenture dated as of June 1, 2000 (herein called the "Indenture"), between the Building Authority and Regions Bank, Montgomery, Alabama, as trustee (herein, together with its successors in trust under the Indenture, called the "Trustee");

(b) the Building Authority and Conecuh County, Alabama (herein called the "County"), have entered into a Lease Agreement dated as of June 1, 2000 (herein called the "Lease"), pursuant to which the Building Authority has agreed to acquire the Project

(as defined in the Lease and herein called the "Project") and to lease the same to the County for an initial term extending until 12:00 o'clock midnight on September 30, 2000;

(c) the Lease provides that its term shall be automatically renewed on October 1 in each year for a one-year term extending to and including the then next succeeding September 30 while any of the Series 2000 Warrants shall remain outstanding and unpaid unless the County shall notify the Building Authority on October 1 of any year of its election not to renew the term of the Lease for the then next succeeding one-year term;

(d) the Lease obligates the County to pay rent directly to the Trustee, for the account of the Building Authority, on such dates and in such amounts as shall be sufficient to provide for the payment, when due, of the principal of and the interest and premium (if any) on the Series 2000 Warrants; and

(e) in the Indenture the Building Authority has reserved the right to issue other warrants or other evidences of indebtedness (herein called "Additional County Obligations") for certain specified purposes, without express limit as to principal amount and on a parity of lien and pledge with the Series 2000 Warrants, but only upon compliance with the applicable conditions specified in the Lease and the Indenture.

Based upon and subject to the foregoing, we are of the following opinion:

(1) The Building Authority is a public corporation organized and existing under the Constitution and laws of the State of Alabama and has all requisite power and authority under the laws of the State of Alabama, including particularly the provisions of Code of Alabama 1975, Title 11, Chapter 15, (i) to sell, issue and deliver the Series 2000 Warrants, (ii) to use the proceeds thereof to acquire the Project, (iii) to own, lease and dispose of the Project, and (iv) to enter into and perform its obligations under the Lease and the Indenture.

(2) The Lease has been duly authorized, executed and delivered by the Building Authority and by the County and constitutes a valid and binding agreement of the Building Authority and of the County which is legally enforceable in accordance with its terms, except that (i) the enforceability of any of the agreements contained in the Lease may be limited by bankruptcy, insolvency, reorganization and other similar laws affecting the enforcement of creditors' rights generally, and (ii) any court before which any enforcement proceeding may be brought will have discretion, in accordance with general equitable principles, to deny or limit the remedy of specific performance or other equitable relief with respect to contractual obligations other than for the payment of money.

(3) The Indenture has been duly authorized, executed and delivered by the Building Authority and constitutes a valid and binding agreement of the Building Authority which is legally enforceable in accordance with its terms, except that (i) the enforceability of any of the agreements contained in the Indenture may be limited by bankruptcy, insolvency, reorganization and other similar laws affecting the enforcement of creditors' rights generally, and (ii) any court before which any enforcement proceeding may be brought will have discretion, in accordance with general equitable principles, to deny or limit the remedy of specific performance or other equitable relief with respect to contractual obligations other than for the payment of money.

(4) The Series 2000 Warrants have been duly authorized, executed, issued and delivered by the Building Authority, have been duly authenticated by the Trustee and are legal, valid and binding special obligations of the Building Authority, entitled to the benefits and security of the Lease and the Indenture, except to the extent that the enforceability thereof may be limited by bankruptcy, insolvency, reorganization and other similar laws affecting the enforcement of creditors' rights generally.

(5) Under the Indenture the payment of the principal of and the interest and premium (if any) on the Series 2000 Warrants is secured, pro rata and without preference or priority of any of the Series 2000 Warrants over any of the others, (i) by the mortgage contained in the Indenture covering the Project; (ii) by a valid pledge and assignment of the rent which is required by the Lease to be paid to the Trustee in respect of the Series 2000 Warrants; (iii) by a valid pledge and assignment of all other revenues to be derived by the Building Authority from the Project; and (iv) by a valid assignment to the Trustee of all right, title and interest of the Building Authority in and to the Lease (except certain expense payment, indemnification and other rights retained by the Building Authority).

(6) The Indenture creates a valid lien upon the interest of the Building Authority in the real property subject to the lien thereof, subject to (i) "Permitted Encumbrances" (as defined in the Indenture and herein called "Permitted Encumbrances"), (ii) any liens (e.g., liens for taxes) that under the laws of the State of Alabama or of the United States of America are accorded preference over prior contractual liens and (iii) bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally; provided, that the mortgage covering the Project contained in the Indenture shall not be subject to foreclosure.

(7) The Indenture creates a valid lien upon the interest of the Building Authority in any property subject to the lien thereof which does not constitute real property under the laws of the State of Alabama, so long as such property is located in the County, and subject to (i) Permitted Encumbrances, (ii) any liens (e.g., liens for taxes) that under the laws of the State of Alabama or of the United States of America are accorded preference over prior contractual liens and (iii) bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally; provided, that the mortgage covering the Project contained in the Indenture shall not be subject to foreclosure.

(8) Neither the registration of any security under the Securities Act of 1933, as amended, nor the qualification of any trust indenture under the Trust Indenture Act of 1939, as amended, is required in connection with the offering, sale and issuance of any of the Series 2000 Warrants.

(9) The Series 2000 Warrants do not constitute an indebtedness of the Building Authority or of the County within the meaning of any constitutional provision or statutory limitation of the State of Alabama, or a charge against the general credit of the Building Authority, nor shall the Building Authority be obligated to pay the principal of or the interest on the Series 2000 Warrants except from (i) the revenues to be derived by the Building Authority from the Project or (ii) from any other moneys which may be received from or in connection with the Project or which may be made available to the Trustee under the Indenture or the Lease.

(10) Under existing statutes the interest income on the Series 2000 Warrants is exempt from income taxation by the State of Alabama.

(11) Under existing statutes, regulations, rulings and court decisions, the interest on the Series 2000 Warrants (a) is excluded from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that with respect to corporations (as defined for federal income tax purposes), such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations. The opinion set forth in clause (a) of the next preceding sentence is subject to the condition that the Building Authority and the County must comply with all requirements of the Internal Revenue Code of 1986 that must be satisfied subsequent to the issuance of the Series 2000 Warrants in order that interest thereon be (or continue to be) excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements could cause the interest on the Series 2000 Warrants to be so included in gross income retroactive to the date of issuance of the Series 2000 Warrants, but the Building Authority and the County have covenanted to comply with all such requirements.

We have not examined the title of the Building Authority to any property, whether real, personal or mixed, constituting part of the Project, and we therefore express no opinion thereon.

We have been employed solely for the purpose of preparing certain legal documents and supporting certificates, reviewing the transcript of proceedings by which the Series 2000 Warrants have been authorized to be issued and rendering an opinion in conventional form relating solely to the validity and legality of the Series 2000 Warrants, to the legal security for their payment, to the exemption of the interest thereon from income taxation by the State of Alabama, to the exclusion of the interest thereon from gross income for federal income tax purposes and to certain related matters. While we have participated in the preparation of the Building Authority's Official Statement with respect to the Series 2000 Warrants, we have not been requested independently to check or verify, and have not independently checked or verified, the factual information contained therein, and we therefore express no opinion with respect to such Official Statement.

Yours very truly,

HASKELL SLAUGHTER & YOUNG, L.L.C.

