

NEW ISSUE

In the opinion of Bond Counsel, under existing law interest on the Series 2000 Warrants (i) will be excluded from gross income for federal income tax purposes if the Authority complies with all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the Series 2000 Warrants in order that interest thereon be and remain excluded from gross income, and (ii) will not be an item of tax preference for purposes of the federal alternative minimum tax on individuals and corporations. 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 for further information and certain other federal tax consequences arising with respect to the Series 2000 Warrants.

\$2,830,000
CLEBURNE COUNTY PUBLIC BUILDING AUTHORITY
Revenue Warrants (County Jail Project), Series 2000

Dated: June 1, 2000

Due: June 1, as shown below

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire official statement to obtain information essential to the making of an informed investment decision.

Payment of interest on the Series 2000 Warrants due on each interest payment date (each June 1 and December 1, beginning December 1, 2000) will be made by check or draft mailed on such interest payment date to the persons who were registered holders of Series 2000 Warrants on the regular record date for such interest payment date. Payment of the principal of (and premium, if any, on) the Series 2000 Warrants and payment of accrued interest due upon redemption on any date other than an interest payment date will be made only upon surrender of the Series 2000 Warrants at the principal corporate trust office of the Trustee, Regions Bank, Birmingham, Alabama.

The Series 2000 Warrants are subject to redemption at the option of the County as described herein.

The Series 2000 Warrants are special, limited obligations of the Authority, payable solely from, and secured by a pledge of, the revenues and receipts derived by the Authority from the leasing of the Project described herein. The Series 2000 Warrants will not constitute an indebtedness of or give rise to a charge against the credit or taxing powers of the State of Alabama or of Cleburne County. The Authority has pledged no revenues to secure the payment of debt service on the Series 2000 Warrants other than revenues derived from or with respect to the Project.

The Project will be leased to Cleburne County pursuant to a year-to-year lease payable out of the general revenues of the County and containing successive options to renew. In addition, the County will pledge and assign to the payment of rentals under the Lease the proceeds of certain court fees and charges being levied within the County. The County also has covenanted in the Lease not to relocate its county jail to any building that is not part of the Project so long as any of the Series 2000 Warrants are outstanding. Any investment in the Series 2000 Warrants involves certain risks. See "WARRANTHOLDER RISKS".

MATURITIES, AMOUNTS, RATES & PRICES

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>
2013	\$105,000	6.000%	6.10%	2018	\$140,000	6.250%	6.40%
2014	110,000	6.000	6.15	2019	145,000	6.300	6.45
2015	115,000	6.100	6.20	2020	155,000	6.350	6.50
2016	120,000	6.125	6.25	2021	165,000	6.400	6.55
2017	130,000	6.200	6.30	2022	175,000	6.450	6.60

\$300,000 5.400% Term Warrants due June 1, 2005 (Yield: 5.55%)
 \$225,000 5.625% Term Warrants due June 1, 2008 (Yield: 5.80%)
 \$165,000 5.750% Term Warrants due June 1, 2010 (Yield: 5.95%)
 \$185,000 5.900% Term Warrants due June 1, 2012 (Yield: 6.05%)
 \$595,000 6.500% Term Warrants due June 1, 2025 (Price: 98.000)

(Accrued interest to be added)

The Series 2000 Warrants are offered when, as and if issued, subject to approval of validity by Maynard, Cooper & Gale, P.C., Birmingham, Alabama. It is expected that the Series 2000 Warrants in definitive form will be available for delivery in Birmingham, Alabama on or about June 22, 2000.

REGIONS INVESTMENT COMPANY, INC.

The date of this Official Statement June 12, 2000.

CLEBURNE COUNTY PUBLIC BUILDING AUTHORITY

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CLEBURNE COUNTY COMMISSION

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THIS OFFICIAL STATEMENT IS NOT TO BE CONSTRUED AS A CONTRACT OR AGREEMENT BETWEEN THE AUTHORITY AND THE PURCHASERS OR HOLDERS OF ANY OF THE SERIES 2000 WARRANTS.

ALL QUOTATIONS FROM AND SUMMARIES AND EXPLANATIONS OF PROVISIONS OF LAWS AND DOCUMENTS HEREIN DO NOT PURPORT TO BE COMPLETE, AND REFERENCE IS MADE TO SUCH LAWS AND DOCUMENTS FOR FULL AND COMPLETE STATEMENTS OF THEIR PROVISIONS.

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THE SERIES 2000 WARRANTS WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS AND WILL NOT BE LISTED ON ANY STOCK OR OTHER SECURITIES EXCHANGE, AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY FEDERAL, STATE, MUNICIPAL OR OTHER GOVERNMENTAL AGENCY WILL PASS UPON THE ACCURACY, COMPLETENESS OR ADEQUACY OF THIS OFFICIAL STATEMENT.

ANY INFORMATION OR EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE AS TO THE AFFAIRS OF THE AUTHORITY SINCE THE DATE HEREOF.

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OFFICIAL STATEMENT

Regarding
\$2,830,000

CLEBURNE COUNTY PUBLIC BUILDING AUTHORITY REVENUE WARRANTS (COUNTY JAIL PROJECT), SERIES 2000

INTRODUCTION

This Official Statement is furnished in connection with the issuance of the Series 2000 Warrants referred to above (the "Series 2000 Warrants") by Cleburne County Public Building Authority (the "Authority"), a public corporation organized and existing under the laws of the State of Alabama. The Series 2000 Warrants will be issued pursuant to a Trust Indenture dated June 1, 2000 (the "Indenture") between the Authority and Regions Bank, an Alabama banking corporation (the "Trustee") in order to finance the acquisition, construction and equipping of a county jail (the "Project") located in Cleburne County, Alabama (the "County").

Contemporaneously with the issuance of the Series 2000 Warrants, the Authority and the County will enter into a Lease Agreement dated June 1, 2000 (the "Lease"), pursuant to which the Authority will agree to acquire, construct and install the Project and to lease it to the County for a term not longer than the current fiscal year of the County; provided, however, that the Lease shall contain a grant to the County of successive options to renew annually until the Series 2000 Warrants are paid. See "THE LEASE - Duration of Term".

Pursuant to the Lease, but only during the term thereof (including any renewed terms), the County will pay rentals sufficient to pay the principal of and interest (and premium, if any) on the Series 2000 Warrants due during the term of the Lease out of the general revenues of the County. In addition, the County will pledge and assign to the payment of rent under the Lease the proceeds of certain court fees and charges (the "Pledged Court Fees Proceeds") levied pursuant to Act No. 99-536, adopted by the Alabama Legislature at its 1999 Regular Session, a resolution adopted by the governing body of the County on October 21, 1999 and the approval of the majority of the qualified electors of the County in an election held on October 12, 1999. See "SECURITY AND SOURCE OF PAYMENT".

Under the provisions of the Indenture, the Series 2000 Warrants also will be secured by a non-forecloseable mortgage on the Project, by an assignment of the rights of the Authority under the Lease and by a pledge of revenues and receipts derived by the Authority from the leasing of the Project (the "Pledged Revenues"). See "SECURITY AND SOURCE OF PAYMENT". **The County will covenant in the Lease that it will not relocate its county jail facilities to any other building that is not part of the Project so long as any of the Series 2000 Warrants are outstanding.** In addition, a reserve fund will be established for the benefit of the Series 2000 Warrants. See "SECURITY AND SOURCE OF PAYMENT".

The Series 2000 Warrants are subject to optional redemption at the times and under the circumstances set forth herein. See "DESCRIPTION OF THE SERIES 2000 WARRANTS-Redemption

Prior to Maturity". The Series 2000 Warrants are being offered in the denomination of \$5,000 or any multiple thereof and may be transferred and exchanged subject to certain terms and conditions set forth herein. See "DESCRIPTION OF THE SERIES 2000 WARRANTS".

Neither the delivery of this Official Statement nor any sale made hereunder implies that there has been no change in the affairs of the Authority or the County at any time subsequent to the date hereof. The County has covenanted to undertake certain continuing disclosure pursuant to Rule 15c2-12 of the Securities and Exchange Commission. See "LIMITED CONTINUING DISCLOSURE".

This Official Statement speaks only as of its date, and the information contained herein is subject to change. For further information during the initial offering period with respect to the Series 2000 Warrants, contact Steve Swafford, Cleburne County, 118 Emergency Lane, Heflin, Alabama [telephone (256) 463-7130] or, Regions Investment Company, Inc., 2011 4th Avenue North, Birmingham, Alabama 35203 [telephone (205) 326-7664].

DESCRIPTION OF THE SERIES 2000 WARRANTS

General Provisions

The Series 2000 Warrants will be fully registered warrants in the denomination of \$5,000 or any multiple thereof, will be dated June 1, 2000, and will be numbered separately from 1 upward.

The Series 2000 Warrants will mature annually on June 1 in the amounts and years set forth on the cover page hereof. The Series 2000 Warrants will bear interest at the applicable per annum rates set forth on the cover page hereof. All Series 2000 Warrants with the same maturity will bear interest at the same rate. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each. Interest on the Series 2000 Warrants will be payable on each June 1 and December 1, beginning December 1, 2000.

Method and Place of Payment

Payment of interest due on each interest payment date will be made by check or draft mailed on such interest payment date to the persons who were registered holders of the Series 2000 Warrants on the regular record date for such interest payment date, which will be the 15th day (whether or not a business day) of the calendar month next preceding such interest payment date. Payment of the principal of (and premium, if any, on) the Series 2000 Warrants and payment of accrued interest due upon redemption on any date other than an interest payment date will be made only upon surrender of the Series 2000 Warrants at the principal office of the Trustee (Regions Bank) in Birmingham, Alabama.

The holder of Series 2000 Warrants in an aggregate principal amount of \$100,000 or more may, upon the terms and conditions of the Warrant Indenture, request payment of debt service by wire transfer to an account of such holder maintained at a bank in the continental United States or by any other method providing for payment in same-day funds that is acceptable to the Trustee.

Redemption Prior to Maturity

(a) **Optional Redemption.** Series 2000 Warrants maturing in 2012 or thereafter, or any smaller principal amount of such Series 2000 Warrants that is a multiple of the smallest authorized denomination, may be redeemed at the option of the Authority (exercisable upon direction by the County) on June 1, 2010 or any date thereafter at the applicable redemption price (expressed as a percentage of principal amount redeemed) set forth in the table below plus accrued interest to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
June 1, 2010 through May 31, 2011	101%
June 1, 2011 and thereafter	100%

(b) **Mandatory Redemption of 2005 Term Warrants.** The Series 2000 Warrants maturing on June 1, 2005 (the "2005 Term Warrants") are subject to mandatory redemption, by lot, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on June 1 in years and principal amounts (after credit as described below) as follows:

<u>Year</u>	<u>Amount</u>
2001	\$55,000
2002	55,000
2003	60,000
2004	65,000

\$65,000 of the 2005 Term Warrants will be
retired at maturity

Not less than 45 or more than 60 days prior to each mandatory redemption date with respect to 2005 Term Warrants, the Trustee shall proceed to select for redemption, by lot, 2005 Term Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such 2005 Term Warrants or portions thereof for redemption on such mandatory redemption date. The Authority may, not less than 60 days prior to any such mandatory redemption date, direct that any or all of the following amounts be credited against the 2005 Term Warrants scheduled for redemption on such date: (i) the principal amount of 2005 Term Warrants delivered by the Authority to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of 2005 Term Warrants previously redeemed pursuant to the optional redemption provisions of the Indenture and not previously claimed as a credit.

(c) **Mandatory Redemption of 2008 Term Warrants.** The Series 2000 Warrants maturing on June 1, 2008 (the "2008 Term Warrants") are subject to mandatory redemption, by lot, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on June 1 in years and principal amounts (after credit as described below) as follows:

<u>Year</u>	<u>Amount</u>
2006	\$70,000
2007	75,000

\$80,000 of the 2008 Term Warrants will be retired at maturity

Not less than 45 or more than 60 days prior to each mandatory redemption date with respect to 2008 Term Warrants, the Trustee shall proceed to select for redemption, by lot, 2008 Term Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such 2008 Term Warrants or portions thereof for redemption on such mandatory redemption date. The Authority may, not less than 60 days prior to any such mandatory redemption date, direct that any or all of the following amounts be credited against the 2008 Term Warrants scheduled for redemption on such date: (i) the principal amount of 2008 Term Warrants delivered by the Authority to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of 2008 Term Warrants previously redeemed pursuant to the optional redemption provisions of the Indenture and not previously claimed as a credit.

(d) ***Mandatory Redemption of 2010 Term Warrants.*** \$80,000 of the Series 2000 Warrants maturing on June 1, 2010 (the "2010 Term Warrants") are subject to mandatory redemption, by lot, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on June 1, 2009 (after credit as described below). \$85,000 of the 2010 Term Warrants will be retired at maturity.

Not less than 45 or more than 60 days prior to each mandatory redemption date with respect to 2010 Term Warrants, the Trustee shall proceed to select for redemption, by lot, 2010 Term Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such 2010 Term Warrants or portions thereof for redemption on such mandatory redemption date. The Authority may, not less than 60 days prior to any such mandatory redemption date, direct that any or all of the following amounts be credited against the 2010 Term Warrants scheduled for redemption on such date: (i) the principal amount of 2010 Term Warrants delivered by the Authority to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of 2010 Term Warrants previously redeemed pursuant to the optional redemption provisions of the Indenture and not previously claimed as a credit.

(e) ***Mandatory Redemption of 2012 Term Warrants.*** \$90,000 of the Series 2000 Warrants maturing on June 1, 2012 (the "2012 Term Warrants") are subject to mandatory redemption, by lot, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on June 1, 2011 (after credit as described below). \$95,000 of the 2012 Term Warrants will be retired at maturity.

Not less than 45 or more than 60 days prior to each mandatory redemption date with respect to 2012 Term Warrants, the Trustee shall proceed to select for redemption, by lot, 2012 Term Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such 2012 Term Warrants or portions thereof for redemption on such mandatory redemption date. The Authority may, not less than 60 days prior to any such mandatory redemption date, direct that any or all

of the following amounts be credited against the 2012 Term Warrants scheduled for redemption on such date: (i) the principal amount of 2012 Term Warrants delivered by the Authority to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of 2012 Term Warrants previously redeemed pursuant to the optional redemption provisions of the Indenture and not previously claimed as a credit.

(f) ***Mandatory Redemption of 2025 Term Warrants.*** The Series 2000 Warrants maturing on June 1, 2025 (the "2025 Term Warrants") are subject to mandatory redemption, by lot, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on June 1 in years and principal amounts (after credit as described below) as follows:

<u>Year</u>	<u>Amount</u>
2023	\$185,000
2024	200,000

\$210,000 of the 2025 Term Warrants will be
retired at maturity

Not less than 45 or more than 60 days prior to each mandatory redemption date with respect to 2025 Term Warrants, the Trustee shall proceed to select for redemption, by lot, 2025 Term Warrants or portions thereof in an aggregate principal amount equal to the amount required to be redeemed and shall call such 2025 Term Warrants or portions thereof for redemption on such mandatory redemption date. The Authority may, not less than 60 days prior to any such mandatory redemption date, direct that any or all of the following amounts be credited against the 2025 Term Warrants scheduled for redemption on such date: (i) the principal amount of 2025 Term Warrants delivered by the Authority to the Trustee for cancellation and not previously claimed as a credit; and (ii) the principal amount of 2025 Term Warrants previously redeemed pursuant to the optional redemption provisions of the Indenture and not previously claimed as a credit.

Any redemption will be made upon at least 30 days' notice in the manner and upon the terms and conditions provided in the Indenture.

Except in the case of scheduled mandatory redemption of 2005 Term Warrants, 2008 Term Warrants, 2010 Term Warrants, 2012 Term Warrants or 2025 Term Warrants, if less than all Series 2000 Warrants are to be redeemed, the particular Series 2000 Warrants to be redeemed may be specified by the Authority by written notice to the Trustee, or, in the absence of timely receipt by the Trustee of such notice, shall be selected by the Trustee by random selection or by such other method as the Trustee shall deem fair and appropriate; provided, however, that (i) the principal amount of Series 2000 Warrants of each maturity to be redeemed must be a multiple of the smallest authorized denomination of the Series 2000 Warrants, and (ii) if less than all Series 2000 Warrants with the same stated maturity are to be redeemed, the Series 2000 Warrants of such maturity to be redeemed shall be selected by random selection by the Trustee.

If less than all Series 2000 Warrants outstanding with the same maturity are to be redeemed, the particular Series 2000 Warrants to be redeemed shall be selected not less than 30 nor more than 60 days

prior to the redemption date (except as noted below) by the Trustee from the Outstanding Series 2000 Warrants of such maturity which have not previously been called for redemption.

If a trust is established for payment of less than all Series 2000 Warrants of a particular maturity, the Series 2000 Warrants of such maturity to be paid from the trust shall be selected by the Trustee within 7 days after such trust is established and shall be identified by a separate CUSIP number or other designation satisfactory to the Trustee. The Trustee shall notify holders whose Series 2000 Warrants (or portions thereof) have been selected for payment from such trust and shall direct such holders to surrender their Series 2000 Warrants to the Trustee in exchange for Series 2000 Warrants with the appropriate designation.

Any redemption will be made upon at least 30 days' notice by registered or certified mail to the holders of Series 2000 Warrants to be redeemed. The Authority and the Trustee will, to the extent practicable under the circumstances, comply with the standards set forth in Securities and Exchange Commission's Exchange Act Release No. 23856 dated December 3, 1986, regarding redemption notices, but failure to do so shall not in any manner defeat the effectiveness of a call for redemption if notice by registered or certified mail is given as required by the Indenture.

Upon any partial redemption of a Series 2000 Warrant, such Series 2000 Warrant shall be surrendered to the Trustee in exchange for one or more new Series 2000 Warrants in authorized form for the unredeemed portion of principal.

Any Series 2000 Warrant (or portion thereof) which is to be redeemed must be surrendered to the Trustee for payment of the redemption price. Series 2000 Warrants (or portions thereof) duly called for redemption will cease to bear interest after the redemption date, unless the Authority defaults in payment of the redemption price.

Registration and Exchange

The Series 2000 Warrants are transferable only on the warrant register maintained at the principal office of the Trustee. Upon surrender of a Series 2000 Warrant to be transferred, properly endorsed, a new Series 2000 Warrant will be issued to the designated transferee.

The Series 2000 Warrants will be issued in denominations of \$5,000 or any multiple thereof and, subject to the provisions of the Indenture, may be exchanged for a like aggregate principal amount of Series 2000 Warrants, of any authorized denominations and of the same maturity, as requested by the holder surrendering the same.

No service charge shall be made for any transfer or exchange, but the Authority may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Authority for Issuance

The Series 2000 Warrants are being issued under the authority of the Constitution and laws of the State of Alabama, including particularly Article 1, Chapter 15, Title 11 of the Code of Alabama 1975, Section 11-15-1 et seq. (the "Enabling Law").

Section 11-15-9 of the Code of Alabama 1975 authorizes any public building authority in the State of Alabama to issue revenue warrants for the purpose of acquiring, constructing, improving, enlarging, completing and equipping a building or buildings designed for use and occupancy as a county jail, together with any lands deemed by such authority to be desirable in connection therewith. Such warrants may be issued in such denomination or denominations and may have such maturity or maturities not exceeding 30 years from their date. All such warrants shall be limited obligations of such authority payable solely out of revenues derived from the project with respect to which they are issued. Such warrants shall also be secured by a non-forecloseable mortgage lien on such project.

If there is any default by any such authority in the payment of debt service on its warrants, any holder is authorized to bring a civil action, mandamus or other proceedings enforcing payment thereof and shall be entitled as a matter of right to the appointment of a receiver for the operation and maintenance of the project and the collection and application of rents therefrom.

SECURITY AND SOURCE OF PAYMENT

General

Contemporaneously with the issuance of the Series 2000 Warrants, the Authority and the County will enter into the Lease pursuant to which the Authority will agree to acquire, construct, equip and install the Project and to lease the Project to the County for a term not longer than the current fiscal year of the County; provided, however, that the Lease shall contain a grant to the County of successive options to renew annually until the Series 2000 Warrants are paid.

The Series 2000 Warrants will be special, limited obligations of the Authority and will be payable solely from and governed by a pledge of the revenues and receipts derived from the leasing of the Project to the County (the "Pledged Revenues"). The County will be obligated to make payments under the Lease out of the general revenues of the County. In addition, the County will pledge and assign the Pledged Court Fees Proceeds referred to below as security for the payment of rentals under the Lease. The Series 2000 Warrants will not constitute an obligation of the State of Alabama, the County or any other political subdivision of the State. No holder of a Series 2000 Warrant shall have the right to compel any exercise of the taxing power of the State of Alabama, the County or any other political subdivision to pay the Series 2000 Warrants or any interest thereon.

The Indenture provides for the establishment of a reserve fund with respect to the Series 2000 Bonds.

The Project will be constructed on real property which will be conveyed by the County to the Authority. Pursuant to the Indenture, the Series 2000 Warrants will be secured by a non-foreclosable mortgage lien on the Project, by an assignment of the rights of the Authority under the Lease and by a pledge of revenues and receipts derived by the Authority from the leasing of the Project. The County is required under Alabama law to maintain a jail within its borders and will covenant in the Lease that it will not relocate the Cleburne County Jail to any building that is not part of the Project so long as any of the Series 2000 Warrants are outstanding. See "THE PROJECT".

In addition to the Pledged Court Fees Proceeds, the County has other revenues available for payment of rentals under the Lease, including certain ad valorem taxes and other general revenues of the County. None of such legally available revenues are, however, specially pledged for payment of the County's obligations under the Lease. Information describing certain taxes and other revenues of the County is set forth in this Official Statement under the captions "FINANCIAL SYSTEM - Description of Major Sources of General Fund" and "FINANCIAL SYSTEM - Other Revenues".

Description of Pledged Court Fees Proceeds

Pursuant to Amendment No. 347 of the Constitution of Alabama (1901), the Alabama Legislature may, by general or local laws applicable to Cleburne County, fix, regulate and alter the costs and charges of court. Act No. 99-536 adopted by the Alabama Legislature at the 1999 Regular Session authorizes the governing body of the County, subject to the approval of a majority of the qualified electors of the County, to impose an additional fee in an amount not to exceed thirty dollars (\$30) on each civil case and on each criminal case, including traffic cases, but excluding small claims cases, filed in the circuit court, district court, or any municipal court in Cleburne County. Such additional fees are paid into the General Fund of Cleburne County to be held in a sub-account to be used for the planning, designing, constructing, furnishing, equipping, and financing of a county jail and operating and maintaining costs associated with the county jail and the County's Sheriff Department. On October 21, 1999, the governing body of the County adopted Resolution No. 2359 (the "Court Fees Resolution") imposing the additional court fees, pursuant to the authority granted to the County by Act No. 99-536, which Resolution is still in force and effect. The majority of the qualified electors of the County approved the imposition of the additional court fees in an election held on October 12, 1999. The fees imposed and levied by the County pursuant to Act No. 99-536 and the Court Fees Resolution are herein referred to as the "Court Fees". The proceeds of the Court Fees pledged by the County to secure the Lease payments are herein referred to as the "Pledged Court Fees Proceeds". For a discussion of the history of collections of the Pledged Court Fees Proceeds, see "DEBT SERVICE REQUIREMENTS AND COVERAGE".

Provisions for Payment

The Series 2000 Warrants shall, prior to the maturity or redemption date thereof, be deemed to have been paid if there shall have been deposited with the Trustee cash and/or Federal Securities which (assuming due and punctual payment of the principal of and interest on such Federal Securities) will provide money sufficient to pay when due the debt service due and to become due on such Series 2000 Warrants on and prior to the redemption date or maturity date thereof, as the case may be. At such time as the Series 2000 Warrants shall be deemed paid as aforesaid, they shall no longer be secured by or entitled to the benefits of the Indenture, except for the purpose of any payment from such cash and/or Federal Securities deposited with the Trustee and the purpose of transfer and exchange as provided in the Indenture.

Issuance of Additional Warrants

In the Indenture, the Authority will reserve the right to issue additional warrants ("Additional Warrants") for the purpose of acquiring or constructing additions, improvements or modifications to the Project and refunding or reducing all or any portion of the Series 2000 Warrants, without limit as to aggregate principal amount, secured by an additional pledge of the Pledged Revenues on a parity of lien with the pledge thereof in favor of the Series 2000 Warrants, provided that the County and the Authority

enter into a supplemental lease agreement in connection with the issuance of such Additional Warrants which, among other things, (i) provides for the payment of Additional Rental Payments sufficient to enable the Authority to pay debt service on such Additional Warrants and (ii) the County's obligation to pay such Additional Rental Payments is a general obligation of the County secured by the County's full faith and credit.

Remedies

If there is any default by the Authority in the payment of the Series 2000 Warrants, any holder or the Trustee may, either by civil action, mandamus or other proceedings, enforce payment thereof and compel performance of all duties of the directors and officers of the Authority and shall be entitled as a matter of right to the appointment of a receiver with all the powers of such receiver for the operation and maintenance of the Project and the collection and application of rents therefrom; provided, however, that the mortgage lien on the Project is not subject to foreclosure and shall not be construed so as to compel the sale of the Project in satisfaction of the Series 2000 Warrants.

Rights of the holders of the Series 2000 Warrants and the enforceability thereof may also be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

The United States Bankruptcy Code

The United States Bankruptcy Code permits political subdivisions and public agencies or instrumentalities that are insolvent or unable to meet their debts to file petitions for relief in the Federal bankruptcy courts if authorized by State law. Prospective purchasers of the Series 2000 Warrants should assume that existing Alabama statutes presently authorize the Authority and other incorporated municipalities in Alabama to file such petitions for relief.

A petition under Chapter 9 of the Bankruptcy Code, however, does not operate as a stay of application of pledged special revenues to payment of debt secured by such revenues. Thus, an automatic stay under Chapter 9 would not be effective to prevent payment of principal and interest on the Series 2000 Warrants from the Pledged Revenues.

THE AUTHORITY

The Authority is a public corporation and instrumentality of the State of Alabama incorporated in 1985. The Authority has all the powers and duties prescribed pursuant to the Enabling Law including (i) the power to construct, enlarge, equip, improve, maintain and operate a county jail and (ii) the power to issue and sell its interest-bearing revenue warrants and to secure the same by pledge and mortgage as provided in the Enabling Law.

All powers of the Authority are vested in a Board of Directors, consisting of three members elected by the governing body of Cleburne County, Alabama for staggered terms. No officer of the State, the County or any incorporated municipality is eligible to serve on the Board of Directors. Each member must be a duly qualified resident of the County and serve without compensation. The following are the current

directors of the Authority and their respective occupations and the dates of expiration of their respective terms of office:

<u>Name</u>	<u>Occupation</u>	<u>Term Expires</u>
Steve Swafford	County Personnel & Budget Office Director	May 2006
Terry Johnson	County Compliance Officer and License Inspector	May 2002
Patricia Surret	Newspaper Editor	May 2004

THE PROJECT

The Project will consist of (i) a parcel of land approximately 12.5 acres in size (the "Project Site"), located on Lambert Drive in Heflin, Alabama, and (ii) a jail facility containing approximately 18,248 square feet suitable for use as a jail and related space for the County Sheriff's Department. The County has hired Charlie Moss & Associates to be the architect for the Project.

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 will be deposited in the Debt Service Fund established under the Indenture. The remaining proceeds 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 Project Costs, including the reimbursement to the Authority of all such costs theretofore directly paid by it and all advances which it has made to the Authority for the payment of such costs.

Pursuant to Section 11-14-10 of the Code of Alabama 1975, each county commission in Alabama is required to maintain a jail within such county. In the Lease, the County will covenant that the County will not relocate the Cleburne County Jail to any building that is not part of the Project so long as any of the Series 2000 Warrants are outstanding. See "Appendix A - Summary of the Documents - Covenant Not to Relocate."

APPLICATION OF PROCEEDS

Sources and Uses of Funds

The expected sources and uses of funds for the Series 2000 Warrants are as follows (rounded to the nearest whole dollar):

Sources of Funds

Principal amount of Series 2000 Warrants ⁽¹⁾	\$ 2,830,000
(Less: original issue discount)	(40,593)
Plus: accrued interest	10,082
Funds contributed by County ⁽²⁾	<u>50,956</u>
Total	\$2,850,445

Uses of Funds

Construction Costs	\$2,551,491
Deposit to Reserve Fund	228,654
Deposit of accrued interest to Debt Service Fund	10,082
Expenses of issuance (including underwriter's discount, legal, accounting and other issuance expenses)	<u>60,218</u>
Total	\$2,850,445

(1) Accrued interest received by the Authority upon the sale of the Series 2000 Warrants will be deposited in the Debt Service Fund established under the Indenture and applied to the payment of interest on the Series 2000 Warrants due December 1, 2000.

(2) The funds to be contributed by the County will consist of all Pledged Court Fees Proceeds collected and retained by the County since the effective date of the Court Fees Resolution. See "Description of Pledged Court Fees Proceeds".

DEBT SERVICE REQUIREMENTS AND COVERAGE

Debt Service Requirements

The following table present the debt service requirements on the Series 2000 Warrants:

Fiscal Year Ending September 30	<u>Principal</u>^{1/}	<u>Interest</u>	<u>Total</u>
2001	\$55,000	\$172,834	\$227,834
2002	55,000	169,864	224,864
2003	60,000	166,894	226,894
2004	65,000	163,654	228,654
2005	65,000	160,144	225,144
2006	70,000	156,634	226,634
2007	75,000	152,696	227,696
2008	80,000	148,478	228,478
2009	80,000	143,978	223,978
2010	85,000	139,378	224,378
2011	90,000	134,490	224,490
2012	95,000	129,180	224,180
2013	105,000	123,575	228,575
2014	110,000	117,275	227,275
2015	115,000	110,675	225,675
2016	120,000	103,660	223,660
2017	130,000	96,310	226,310
2018	140,000	88,250	228,250
2019	145,000	79,500	224,500
2020	155,000	70,365	225,365
2021	165,000	60,523	225,523
2022	175,000	49,963	224,963
2023	185,000	38,675	223,675
2024	200,000	26,650	226,650
2025	210,000	13,650	223,650

^{1/} For purposes of this table the principal amount of Series 2000 Warrants to be retired in a fiscal year pursuant to mandatory redemption provisions is shown as maturing in that fiscal year.

Coverage

The following table sets forth the County's monthly collections of Pledged Court Fees Proceeds for the period from January 2000 through March 2000:

	<u>Pledged Court Fees Proceeds Collected</u>
January, 2000	\$10,895
February, 2000	9,628
March, 2000	17,025

As of April 13, 2000, the amount of Pledged Court Fees Proceeds on deposit in the County's General Fund sub-account created pursuant to Act No. 99-536 was \$50,956.

As discussed in "SECURITY AND SOURCE OF PAYMENT," the Pledged Court Fees Proceeds consist of \$30 per criminal and civil case filed in Cleburne County. The total number of such cases filed for the following calendar years is shown below:

<u>Year</u>	<u>Number of Cases Filed</u>
1995	3,282
1996	3,450
1997	5,509
1998	10,161
1999	7,742

There were two factors that caused a dramatic increase in the number of court cases filed in Cleburne County during calendar year 1998. First, a weigh station constructed in the County on I-20 West became operational in mid-1997. This weigh station has generated approximately 5,000 cases annually. Second, the number of state troopers assigned to the County was increased from two to four in 1998 and subsequently reduced to two (one of whom is shared with neighboring counties) in 1999. The County expects that the operating hours at the weigh station will increase from 40 hours per week to 80 hours per week by the end of the summer in 2000.

The maximum amount of principal and interest on the Series 2000 Warrants payable during any fiscal year is \$228,654 payable during the fiscal year ending September 30, 2004. The average annual amount of principal and interest payable on the Series 2000 Warrants is \$225,892. If the Court Fees levied pursuant to Amendment No. 347 and Act No. 99-536 had been in effect during calendar year 1999, the amount of Pledged Court Fees Proceeds for such year would have been \$232,260, which would have covered the maximum annual debt service on the Series 2000 Warrants by 1.02 times and the average annual debt service on the Series 2000 Warrants by 1.03 times.

THE COUNTY

Governance and Administration

The County's government is administered by four commissioners elected county-wide and a Chairman who also serves as Probate Judge and is elected at-large. The commissioners must reside in established districts while the Chairman may reside anywhere within Cleburne County. The Chairman, is an ex officio member of the Commission. The Commission, whose members serve part-time, acts as the legislative branch of the County. The Chairman, who serves full-time, is entitled to vote as a member of the Commission only in case of a tie, in which case he is required to vote.

The decisions of the Commission are carried out by various county officers over whom the Commission has complete control, such as the Chief Clerk of the County and the County Engineer. The Commission has initial budgetary control over the elected county officials such as the Sheriff, Tax Collector, Tax Assessor, District Attorney, Circuit Court, Probate Court and License Commission.

The current members of the Cleburne County Commission and the expiration of their current term of office are as follows:

<u>Name of Member</u>	<u>Date of Expiration of Current Term</u>
Monroe Lipscomb, Chairman	January, 2001
James Winford Brown	November, 2000
Don Roberts	November, 2002
Samuel Jackson	November, 2002
Willie G. Frames	November, 2000

Personnel

The County employs approximately 78 people in its various departments. No employees of the County are represented by labor unions or similar employee organizations, and the County does not bargain collectively with any labor unions or employee organizations.

FINANCIAL SYSTEM

Examination

The financial transactions of the County are audited by the State of Alabama Department of Examiners of Public Accounts (the "Public Examiners").

Budget and Accounting System

General. The County is required to maintain a financial reporting system for the purpose of providing timely and accurate reports of receipts and disbursements. The accounting policies of the County are required to conform to generally accepted accounting principles applicable to local government units.

Financial activities of the County are monitored internally and are required to be audited at least biennially by the Public Examiners.

Budget Systems. Prior to the commencement of each fiscal year, the Commission, in conjunction with the County's administrative staff, prepares an annual operating budget for adoption by the Commission. The budget represents a complete financial plan for the County and reflects the projection of all receipts and disbursements from all sources.

Accounting System. The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, for accounting and reporting purposes, into three broad categories, Governmental Funds, Proprietary Funds and Fiduciary Fund. Each of these categories is divided into separate fund types as follows:

Governmental Funds

General Fund. The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds. Debt service funds are used to account for the accumulation of resources for, and the payment of, the County's general long-term debt principal and interest.

Proprietary Funds

Enterprise Funds. Enterprise funds are used to account for activities where the intent of the County is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the County decided that periodic income determination is appropriate for capital maintenance, public policy, management control accountability or other purposes.

Fiduciary Fund Types

Expendable Trust Funds. These funds are used to account for assets held in trust by the County and disbursed at the direction of law, a specific individual or an organization.

Agency Funds. These funds are used to account for assets, which belong to other organizations and individuals. The County collects these assets and transfers them to the proper parties.

Comparative Statement of General Fund Revenues and Expenditures

The table on the following page sets forth revenues, expenditures and changes in fund balance for the County's General Fund for the fiscal years ended September 30, 1996 through 2000. Each category of revenues and expenditures is rounded to the nearest whole dollar. This information was extracted from the audited financial statements of the County prepared by the Public Examiners for fiscal years 1996 through 1998 and the County's unaudited financial statements for fiscal year 1999 and for the six months ended March 31, 2000. Audited financial statements for prior fiscal years may be obtained from the Acting County Clerk upon request. Copies of the County's unaudited financial statements for fiscal year 1999 are also available from the Acting County Clerk upon request.

**Comparative Statement of General Fund
Revenues and Expenditures and
Changes in Fund Balance**

	<u>Fiscal Year (Ended 9/30)</u>				
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u> (Unaudited)	<u>2000*</u> (Unaudited)
<u>REVENUES</u>					
Taxes	\$339,019	\$363,982	\$423,498	\$420,153	\$322,952
Licenses and Permits	6,140	6,714	6,916	8,634	8,849
Intergovernmental	783,231	371,458	330,795	422,628	99,124
Charge for Services	255,498	300,140	401,086	473,680	258,372
Miscellaneous	<u>211,834</u>	<u>129,883</u>	<u>101,533</u>	<u>45,883</u>	<u>36,980</u>
TOTAL REVENUES	<u>1,595,722</u>	<u>1,172,176</u>	<u>1,263,828</u>	<u>1,370,978</u>	<u>726,277</u>
<u>EXPENDITURES</u>					
Current:					
General Government	1,277,181	896,835	494,599	409,948	275,011
Public Safety	161,545	141,381	566,099	593,866	365,892
Sanitation	-0-	34,129	206	302	9,867
Welfare	13,164	16,645	69,743	66,081	37,266
Culture and Recreation	1,070	26,118	1,869	1,686	1,297
Education	11,820	3,055	12,897	11,331	5,788
Capital Outlay	42,099	128,096	742	237,999	16,388
Debt Service:					
Principal Retirement	759,871	87,009	81,052	62,904	90,457
Interest and Fiscal Charges	<u>60,509</u>	<u>56,346</u>	<u>53,229</u>	<u>49,406</u>	<u>-0-</u>
TOTAL EXPENDITURES	<u>2,327,259</u>	<u>1,389,613</u>	<u>1,280,436</u>	<u>1,433,522</u>	<u>801,966</u>
Excess (deficiency) of revenues Over expenditures	<u>(731,537)</u>	<u>(217,437)</u>	<u>(16,608)</u>	<u>(62,544)</u>	<u>(75,689)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Proceeds from Issuing Warrants	1,039,555	-0-	-0-	-0-	-0-
Proceeds from Capital Lease	13,444	57,900	-0-	-0-	-0-
Proceeds from Issuing Note	-0-	25,000	-0-	-0-	-0-
Operating Transfers In	124,776	214,706	182,543	215,760	59,725
Lease Principal Payments	65,000	65,000	65,000	-0-	-0-
Operating Transfers Out	<u>(461,608)</u>	<u>(204,752)</u>	<u>(138,878)</u>	<u>(21,896)</u>	<u>-0-</u>
Prior Period Adjustments					<u>(43,590)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>781,167</u>	<u>157,854</u>	<u>108,665</u>	<u>193,864</u>	<u>16,135</u>
Excess (deficiency) of revenues over Expenditures and other sources (uses)	<u>49,630</u>	<u>(59,584)</u>	<u>92,057</u>	<u>131,320</u>	<u>(59,554)</u>
Fund Balances at beginning of Year As Restated	<u>158,701</u>	<u>208,332</u>	<u>148,748</u>	<u>244,902</u>	<u>360,609</u>
Fund Balances at end of year	<u>\$208,332</u>	<u>\$148,748</u>	<u>\$240,805</u>	<u>\$376,221</u>	<u>\$301,055</u>

For the six months ending March 31, 2000.

Limited Taxing Authority

Governing bodies of counties in the State of Alabama generally have no authority to raise taxes without first having a bill passed by the state legislature authorizing the levy of a new tax or the increase in an existing tax. Additionally, with respect to ad valorem taxes, no increase may be authorized even with the approval of the state legislature unless the qualified voters in the county also approve the levy of the proposed ad valorem tax.

Description of Major Sources of General Fund Revenues

The County's major sources of revenues for its General Fund are as follows:

Ad Valorem Taxes. Property or ad valorem taxes are levied under various provisions of the constitution and statutes of Alabama and may be used only for the purpose or purposes for which they are levied. The County levies a 5.0-mill tax for general county purposes, proceeds of which are deposited in the General Fund. In addition, the County levies (i) a 2.5-mill tax for the purpose of maintaining the County's public buildings, bridges and roads, (ii) a 4.0-mill hospital tax, (iii) a 2.0-mill tax for fire protection and (iv) 17.0-mill taxes for school purposes. Under present law, the rates at which local ad valorem taxes are levied may be increased only after approval by the legislature and a majority vote of the qualified electors of the affected jurisdiction. See "AD VALOREM TAXATION".

Intergovernmental Transfers. The County receives from the State of Alabama certain revenues from taxes, licenses and other moneys levied and collected by the State. The largest source of State revenues are from ABC liquor store profits, state franchise taxes and state excise taxes. The continued availability of such revenues is dependent upon the ability and willingness of the State to continue to provide such revenues.

Charges for Services. The County receives revenue from (i) court fees collected by the circuit clerk, (ii) law library fees, (iii) sheriff's fees, (iv) judge of probate fees and commissions, (v) tax collector fees and commissions, (vi) commissions on pay telephones and (vii) charges for housing non-county prisoners.

The principal General Fund revenue sources for the fiscal years ending September 30, 1998 and 1999 are summarized in the following table:

Principal General Fund Revenue Sources

	<u>FY Ending 9/30/98</u>		<u>FY Ending 9/30/99</u> (Unaudited)	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Taxes	\$423,498	33.51%	\$322,952	44.47%
Charges for services	401,086	31.74	258,372	35.57
Intergovernmental	330,795	26.17	99,124	13.65

Personnel and Retirement System

The County employed approximately 78 full-time personnel in its several departments as of May 10, 2000. The benefits and compensation for all employees of the County's several departments are established by the County Commission and are paid from the County's general fund. No employees of the County are represented by labor unions or similar employee organizations, and the County does not bargain collectively with any labor unions or employee organizations.

The employees of the County participate in a retirement system established by the Legislature of Alabama and known as the Employees' Retirement System of Alabama (the "Retirement System"). Contributions to the Retirement System are made by both the employees and the County. The respective amounts of such contributions are established by the Legislature of Alabama. Under current law, each employee contributes an amount equal to five percent (5%) of his regular compensation to the Retirement System. The contribution requirements of the County are established by the Employees' Retirement System based on annual actuarial valuations. The County's contribution rate for the year ended September 30, 1998 was 3.54 percent based on the actuarial valuation performed as of September 30, 1996. The County's contribution rate for the year ended September 30, 1997 was 4.65 percent based on the actuarial valuation performed as of September 30, 1995.

DEBT MANAGEMENT OF THE COUNTY

General

The principal forms of indebtedness that the County is authorized to incur include general obligation bonds, general obligation warrants, general obligation bond anticipation notes, revenue anticipation notes, gasoline tax anticipation bonds, and various revenue anticipation bonds and warrants relating to enterprises. In addition, the County has the power to enter into certain leases which constitute a charge upon the general credit of the County and to guarantee obligations of certain public corporations affiliated with the County.

In general, the issuance of general obligation bonds requires voter approval. The following types of obligations may be issued or incurred without voter approval: (1) general obligation warrants; (2) general obligation refunding bonds; (3) certain revenue anticipation bonds, warrants and notes; (4) general and special obligation bonds financing street, sidewalk and sewer improvements supported, in whole or in part, by assessments; and (5) capitalized lease obligations that are funded on a "year-to-year basis".

The County has never defaulted in the payment of debt service on its bonds, warrants or other funded indebtedness, nor has the Authority ever refunded any funded indebtedness for the purpose of preventing or avoiding such a default.

Outstanding Indebtedness

Long-Term Indebtedness. Following the issuance of the Series 2000 Warrants, the County will have the following long-term indebtedness outstanding:

Description of Indebtedness	Source of Payment	Principal Balance
Lease/purchase of county jail relating to the Warrants	year-to-year lease secured by general obligation and pledge of court fees	\$2,830,000
General Obligation Warrants, Series 1995	general obligation	870,000
Limited Obligation School Warrants, Series 1992	secured by pledge of lease payments from Cleburne County School Board	1,045,000
Capital Lease Purchase Contracts	secured by leased property	47,325
Long-Term Note Payable to Calhoun County, Alabama (purchase of land)	general obligation	15,000
Long-Term Note Payable (Sheriff's Department vehicle loan)	general obligation	7,476
Long-Term Note Payable (federal loan to build Farmer's Market)	general obligation	19,258
	TOTAL	\$4,834,059

Short-Term Indebtedness. The County has no short-term indebtedness outstanding.

Anticipated Indebtedness

The County has no authorized but unissued debt outstanding. The County does not expect to incur additional long-term indebtedness, other than the Series 2000 Warrants, within the next 12 months.

Constitutional Debt Limit

The County's present constitutional debt limit is an amount equal to 5% of the assessed value of the taxable property located therein. The lease/purchase obligations (including its obligations under the Lease) are not included in the calculation of debt margin because such payments are made solely out of current revenues during each fiscal year. In addition, a county's revenue securities, issued for the purpose

of extending, enlarging or improving a water, sewer, gas or electric system then owned by such county are not included in the calculation of debt margin if such securities are not made a charge on the general credit or tax revenues of the issuing county and are made payable solely out of revenues derived from the operation of such system.

**COUNTY'S
PRO FORMA DIRECT AND
OVERLAPPING INDEBTEDNESS**
(including Lease payments to Public Building Authority)

	<u>Principal Balance</u>	<u>Percentage Debt Allocable to County</u>	<u>County's Allocable Share of Debt</u>
<u>Direct Debt</u>			
General obligation bonds, notes or warrants ⁽¹⁾	\$3,741,734	100%	\$3,741,734
Capitalized lease obligations	47,325	100%	47,325
<u>Overlapping Debt</u> ⁽²⁾			
County Board of Education ⁽³⁾	1,045,000	100%	1,045,000
Total Direct and Overlapping Debt	4,834,059		4,834,059

(1) After giving effect to the issuance of the Series 2000 Warrants.

(2) Includes all general obligation debt and other County debt payable from county-wide ad valorem taxes.

(3) The County issued its \$1,500,000 Limited Obligation School Warrants, Series 1992 (the "Series 1992 Warrants"). Pursuant to a Lease Agreement dated as of October 1, 1992 between the County and the Board of Education of Cleburne County (the "Board of Education"), the Board of Education is required to make rental payments to the County at times and in such amounts sufficient to pay debt service on the Series 1992 Warrants. The Board of Education uses proceeds of ad valorem taxes levied on taxable property in the County to make the rental payments.

AD VALOREM TAXATION

General

The levy and collection of ad valorem taxes in Alabama are subject to the Alabama Constitution, which, among other things, fixes the percentage of market value at which property can be assessed for taxation, limits the tax rates that can be levied against property and places a ceiling on the aggregate ad valorem taxes that can be levied by all taxing authorities on any property in any tax year. The amount of an ad valorem tax in Alabama is computed by multiplying the applicable tax rate by the assessed value of

the taxable property. The assessed value of taxable property is a specified percentage (the "assessment ratio") of its fair and reasonable market value or, in certain circumstances, its current use value. Ad valorem tax rates are stated in terms of mills per dollar of assessed value. Each mill represents a tax equal to one-tenth of one percent of the assessed value of such property.

Classification of Taxable Property

Amendment No. 373 to the Alabama Constitution divides all taxable property into the following four classes valued for taxation according to the assessment ratios shown below:

Class I	All property owned by utilities	30%
Class II	All property not otherwise classified	20%
Class III	All agricultural, forest and single-family, owner-occupied residential property and historic buildings and sites	10%
Class IV	Private passenger automobiles and pickup trucks owned and operated by an individual for personal or private use	15%

Amendment No. 373 permits the owner of Class III property to elect to have such property appraised at its "current use value" rather than its "fair and reasonable market value". "Current use value" has been defined statutorily as the value of such property based on the use being made of it on October 1 of the preceding year, without taking into consideration the prospective value such property might have if it were put to some other possible use.

Assessment Ratio Adjustment

The Alabama Legislature has no power to adjust assessment ratios pertaining to local (as distinguished from state) taxes but does have the power to approve or disapprove an adjustment proposed by a local taxing authority. The governing body of any county, municipality or other local taxing authority may increase or decrease the assessment ratio with respect to any class of property subject to the following conditions: (i) the governing body of such county, municipality or other taxing authority must hold a public hearing on the proposed adjustment before authorizing the adjustment, (ii) the Legislature must adopt an act approving the adjustment and (iii) a majority of the electors of such county, municipality or other taxing authority must approve the adjustment in a special election. In addition, the Legislature has placed the following restrictions on the adjustment of assessment ratios:

(1) If the total assessed value of all property of a single class located within a taxing authority's jurisdiction exceeds 50% of the total assessed value of all taxable property located within the jurisdiction of such authority, then the assessment ratio with respect to that class of property may be decreased by no more than 5% from the ratio otherwise prescribed for such class;

(2) If the total assessed value of all properties of a single class located within the jurisdiction of a local taxing authority is less than 20% of the total assessed value of all taxable property located within such jurisdictions then the assessment ratio with respect to that class of property may be increased by no more than 5% from the ratio otherwise prescribed for such class; and

(3) If the total assessed value of all property of a single class located within the jurisdiction of a local taxing authority exceeds 75% of the total assessed value of all taxable property located within such jurisdiction, then (i) the assessment ratio with respect to that class of property may be decreased by no more than 5% from the ratio otherwise prescribed for such class and (ii) the prospective assessment ratio for all other classes of property may be increased by no more than 5% from the ratio otherwise prescribed for such classes.

The Cleburne County Commission has not sought to adjust the assessment ratio applicable to any class of taxable property.

Rate Adjustments

Amendment No. 373 authorizes any county, municipality or other local taxing authority to decrease any ad valorem tax rate at any time, provided that such decrease does not jeopardize the payment of any bonded indebtedness secured by such tax. Amendment No. 373 also permits a county, municipality or other local taxing authority to increase the rate at which any ad valorem tax is levied, but only if (i) the governing body of such county, municipality or other taxing authority holds a public hearing on the proposed increase before authorizing the increase, (ii) the Legislature adopts an act approving the increase and (iii) a majority of the electors of such county, municipality or other taxing authority subsequently approves the increase in a special election.

Ceiling on Ad Valorem Taxes

Amendment No. 373 also limits the total amount of state, county, municipal and other ad valorem taxes that may be imposed on any class of property in any one tax year. This limitation is expressed in terms of a specified percentage of the fair and reasonable market value of such property. The applicable percentages to the four classes of property are as follows:

Class I	2%
Class II	1-1/2%
Class III	1%
Class IV	1-1/4%

If the total amount of tax otherwise payable with respect to a class of property would exceed the maximum tax limit, the millage rate of each separate tax to which such property is subject must be reduced in the same proportion that the millage levied by or for the benefit of each taxing authority bears to the total millage levied by or for the benefit of all applicable taxing authorities. This provision becomes operative as to the several classes of property only if the total tax rate exceeds the following:

Class I	66-2/3 mills
Class II	75 mills
Class III	100 mills
Class IV	83-1/3 mills

Ad valorem taxes on property in the jurisdiction of the County are currently levied at the following rates (ranging from 37 to 49 mills):

Taxing Authority	Mills
State of Alabama	6.5
Cleburne County:	
General	5.0
Road & Bridge	2.5
Hospital	4.0
Fire Protection	2.0
School	17.0
Municipalities:	
Heflin	12.0
Edwardsville	5.0
Fruithurst	12.0
Ranburne	12.0

Assessed Valuation of Taxable Property

The following table contains net taxable assessed value of property (including motor vehicles) in the County for the last five fiscal years:

<u>Fiscal Year</u>	<u>Assessed Value of Taxable Property</u>
1999	\$67,955,475
1998	60,966,942
1997	56,294,023
1996	50,245,372
1995	24,557,042

Largest Ad Valorem Taxpayers

Listed below are the ten largest ad valorem taxpayers in Cleburne County and the total amount of ad valorem taxes paid by each during the tax year ended September 30, 1999 (the most recent year for which definitive information is available). The amounts shown under the heading "Total Ad Valorem Taxes Paid" represent the collections during the tax year ended September 30, 1999 from the total state, county, municipal and school district levies (37 to 49 mills) on property in the County's jurisdiction.

Name of Taxpayer	Business	Total Ad Valorem Taxes Paid	Percent of Total
Forte Power Systems	Industry	210,942	7.9%
Alabama Power Company	Utility	155,241	5.9
Southern Natural Gas Company	Utility	127,606	4.8
Norfolk-Southern Railway Co.	Railroad	115,455	4.4
L. E. Bell Cont. Co., Inc.	Construction	101,945	3.8
Colonial Pipeline Company	Utility	93,699	3.5
Southwire Medium Voltage Cable	Industry	78,332	3.0
Contel South-Al, d/b/a GTE	Utility	77,221	2.9
U.S. Alliance Coosa Pines Corp.	Timber company	42,936	1.6

Source: Cleburne County Revenue Commissioner.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority or the County, threatened questioning the validity of the Series 2000 Warrants, the proceedings under which they are to be issued, the security for the Series 2000 Warrants provided by the Indenture, the consummation of the transactions contemplated by the Indenture, the organization of the Authority, or the election or qualification of the Authority's officers.

Recent court decisions have substantially eroded the immunity from tort liability formerly enjoyed by local governmental units in Alabama; however, Chapter 93 of Title 11 of the Code of Alabama 1975 now prescribes certain limits on the liability of local governmental units for bodily injury or death and for damage or loss of property. The limits are presently \$100,000 in the case of bodily injury or death of one person in any single occurrence, \$300,000 in the aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence, and \$100,000 for damage or loss of property arising out of any single occurrence. The Alabama Supreme Court has held that the limitations prescribed by Chapter 93 are constitutional.

The County is a defendant in several suits and has been notified of various claims against it arising from matters relating to normal operations of a county. The County believes that any liability resulting from these suits and claims will be covered by the County's liability insurance, which has no deductible, or by other funds of the County which will be available to discharge such liability without impairing its ability to perform any of its other obligations.

Local governmental units throughout the country increasingly have been subjected to lawsuits - many of which claim damages in large amounts - for alleged denials of civil rights under the provisions of Section 1983 of Title 42 of the United States Code. While the question is not free from doubt, it should be assumed that existing Alabama statutory limitations on liability for personal injury would not serve to limit liability under Section 1983.

ECONOMIC AND DEMOGRAPHIC INFORMATION

General

Cleburne County covers approximately 561 square miles. The County is located in east-central Alabama, bordering the State of Georgia. It is 76 miles from Birmingham, Alabama and 80 miles from Atlanta, Georgia. The County shares boundaries with the counties of Cherokee, Calhoun, Talladega, Clay and Randolph in Alabama and the counties of Polk, Haralson and Carroll in the State of Georgia. The principal agricultural and forest products of the County include poultry and timber. Major manufactured products of the County include poultry processing, men's coats and suits, and women's robes.

Population

The following table sets forth population statistics for the County:

	<u>1990</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
State of Alabama	4,040,389	4,322,113	4,351,999	4,369,862
Cleburne County	12,730	14,101	14,308	14,456

Source: University of Alabama, Center for Business and Economic Research.

Employment

The following table sets forth estimated nonagricultural wage and salary employment statistics for the County as of 1998:

Cleburne County Nonagricultural Employment by Industry

	Number Employed	%
Manufacturing	1,260	42.0
Mining and quarrying	0	.0
Construction	325	10.9
Transportation, communication and public utilities	16	.5
Wholesale and retail trade	442	14.7
Finance, insurance and real estate	57	1.9
Service and miscellaneous	214	7.1
Government	<u>686</u>	<u>22.9</u>
Total wage and salary employees	3,000	100.0

Source: Alabama Department of Industrial Relations, Labor Market Research Division.

The following table sets forth labor force estimates and employment rates for Cleburne County on the dates indicated:

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Civilian Labor Force	7,330	8,320	7,140	7,380	7,330	7,170
Employment	7,020	6,890	6,830	7,120	7,070	6,860
Wage & Salary	3,120	3,080	3,010	3,100	3,120	3,110
Manufacturing	1,340	1,300	1,220	1,260	1,240	1,180
Nonmanufacturing	1,480	1,480	1,470	1,470	1,530	1,570
Unemployment	310	430	310	260	260	310

Source: Alabama Department of Industrial Relations.

The following table sets forth comparative unemployment rates for the County, the State of Alabama and the United States for the dates indicated:

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
Cleburne County	4.2	5.9	4.3	3.6	3.6	4.1
State of Alabama	6.0	6.3	5.1	5.1	4.2	4.6
United States	6.1	5.6	5.4	4.9	4.5	3.8

Source: Alabama Department of Industrial Relations.

Major Employers

The major governmental and nongovernmental employers in the County, their principal activity and the number of employees of each are as follows:

<u>Employer</u>	<u>Principal Products</u>	<u>Number of Employees</u>
Tyson Foods, Inc.	Poultry	301-350
Crown Tuft Alabama Industries	Textiles	301-350
Sewell Mfg. Co., Inc.	Textiles	201-250
Southwire Corporation	Voltage Cable	101-150

Source: Alabama Manufacturing Directory, Alabama Center for Commerce.

Income Levels

Per capita income is the total income of all families and individuals in a given area divided by the total population of the area. For the year 1997, the Center for Business and Economic Research of the University of Alabama estimates the following with respect to per capita income levels in the jurisdictions indicated:

Per Capita Income	
Cleburne County	17,049
State of Alabama	20,672
United States	25,288

Source: University of Alabama CBER.

Retail Sales

The following table shows retail sales in Cleburne County and the State for the years indicated:

Total Retail Sales (000's omitted)				
	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
State of Alabama	32,887,390	34,541,611	35,748,153	37,938,150
Cleburne County	49,725	51,051	43,403	48,947

Source: University of Alabama CBER.

Education

Cleburne County operates 6 elementary and secondary schools and 1 technical school with an enrollment of 527 students.

Cleburne County has no institutions of higher education. Nearby colleges include Jacksonville State University and Gadsden State Junior College.

Health Care Services

Cleburne County residents are served by Northeast Alabama Regional Medical Center in Calhoun County, which is staffed by local physicians.

Utilities

Electricity is furnished by Alabama Power Company. Each municipality in the County has its own water utility board. Natural gas is supplied by Alagasco and Dowdle Butane Gas Company.

Transportation

U. S. Highway 78 and State Highways 46 and 9 bisect Cleburne County. The county is served by Southern Railroad.

RISK FACTORS

The ability of the Authority to make debt service payments on the Series 2000 Warrants is dependent upon the Authority receiving rental payments under the Lease. Prospective purchasers of the Series 2000 Warrants should be aware that there is no assurance that the County will exercise its options to renew the Lease annually and thereby continue to be obligated to make rental payments to the Authority.

LEGAL MATTERS

The legality and validity of the Series 2000 Warrants will be approved by Maynard, Cooper & Gale, P.C., Birmingham, Alabama, Bond Counsel. Bond Counsel has been employed primarily 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 as to the validity and legality of the Series 2000 Warrants and the exemption of interest thereon from Federal and State of Alabama income taxes. Although Bond Counsel assisted in the preparation of certain portions of this Official Statement and is of the opinion that the statements made therein under the captions "DESCRIPTION OF THE SERIES 2000 WARRANTS", "LEGAL MATTERS" and "TAX EXEMPTION" fairly summarize the matters therein referred to, Bond Counsel has not been requested to check or verify, has not checked or verified, and will express no opinion with respect to the adequacy, accuracy, completeness or fairness of any other information contained in this Official Statement.

It is anticipated that Bond Counsel will render an opinion substantially in the form attached hereto as Appendix B.

TAX EXEMPTION

General

In the opinion of Bond Counsel, under existing law, interest on the Series 2000 Warrants will be excluded from gross income for federal income tax purposes if the County complies with all requirements of the Internal Revenue Code of 1986 (the "Internal Revenue Code") that must be satisfied subsequent to the issuance of the Series 2000 Warrants in order that interest thereon be and remain excluded from gross income. Failure to comply with certain of such requirements could cause the interest on the Series 2000

Warrants to be included in gross income, retroactive to the date of issuance of the Series 2000 Warrants. The County has covenanted to comply with all such requirements.

Bond Counsel is also of the opinion that under existing law interest on the Series 2000 Warrants will not be 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, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations.

Bond Counsel is also of the opinion that the Series 2000 Warrants are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code, and, in the case of financial institutions (as defined in Section 265(b)(5) of the Internal Revenue Code), a deduction is allowed for 80% of that portion of such financial institution's interest expense allocable to interest on the Series 2000 Warrants.

Bond Counsel will express no opinion regarding federal tax consequences arising with regard to the Series 2000 Warrants other than the opinions expressed in the three preceding paragraphs. The form of Bond Counsel's opinion is expected to be substantially as set forth in Appendix A to this Official Statement.

Prospective purchasers of the Series 2000 Warrants should be aware that ownership of the Series 2000 Warrants may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess net passive income", foreign corporations subject to a branch profits tax and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Series 2000 Warrants. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Series 2000 Warrants should consult their tax advisors as to collateral federal income tax consequences.

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.

Original Issue Discount

In the opinion of Bond Counsel, under existing law, the original issue discount in the selling price of a Series 2000 Warrant, to the extent properly allocable to each owner of such Series 2000 Warrant, is excluded from gross income for federal income tax purposes with respect to such owner. The original issue discount is the excess of the stated redemption price at maturity of such Series 2000 Warrant over the initial offering price to the public, excluding underwriters and other intermediaries, at which price a substantial amount of the Series 2000 Warrants of such maturity were sold.

Under Section 1288 of the Internal Revenue Code of 1986, as amended, original issue discount on tax-exempt bonds accrues on a compound basis. The amount of original issue discount that accrues to an owner of a Series 2000 Warrant during any accrual period generally equals (i) the issue price of such Series 2000 Warrant plus the amount of original issue discount accrued in all prior accrual periods, multiplied by (ii) the yield to maturity of such Series 2000 Warrant (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), less (iii) any

interest payable on such Series 2000 Warrant during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such Series 2000 Warrant. Any gain realized by an owner from a sale, exchange, payment or redemption of a Series 2000 Warrant will be treated as gain from the sale or exchange of such Series 2000 Warrant.

BANK QUALIFICATION

The Series 2000 Warrants have been designated by the County as "qualified tax-exempt obligations" for purposes of paragraph (3) of subsection (b) of Section 265 of the Code.

UNDERWRITING

The Series 2000 Warrants are being purchased from the County by Regions Investment Company, Inc., Birmingham, Alabama (the "Underwriter"). The Underwriter has agreed to purchase the Series 2000 Warrants for an aggregate purchase price of \$2,761,107.50 plus accrued interest (\$2,830,000.00 aggregate principal amount less original issue discount of \$40,592.50 and underwriter's discount of \$28,300.00). The initial public offering price set forth on the cover page may be changed by the Underwriter, and the Underwriter may offer and sell the Series 2000 Warrants to certain dealers (including dealers depositing the Series 2000 Warrants into investment trusts) and others at prices lower than the offering price set forth on the cover page. The Underwriter will purchase all the Series 2000 Warrants if any are purchased.

RATINGS

The Authority does not intend to apply for any rating on the Series 2000 Warrants.

LIMITED CONTINUING DISCLOSURE

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the County has entered into a Limited Continuing Disclosure Agreement (the "Agreement") for the benefit of the holders and the beneficial owners of the Series 2000 Bonds. The Agreement provides for limited secondary market disclosure because the County qualifies as a "small issuer" pursuant to the provisions of Rule 15c2-12.

Pursuant to the Agreement, the County has agreed to provide or cause to be provided (i) to any person, upon request or at least annually to the state repository, if any, certain financial information relating to the County on an annual basis of the type found under the heading "Description of Pledged Court Fees Proceeds", "Comparative Statement of General Fund Revenues and Expenditures" and "COUNTY'S PRO FORMA DIRECT AND OVERLAPPING INDEBTEDNESS" (the "Annual Financial Information") (ii) to all nationally recognized municipal securities information repositories ("NRMSIRs"), notices ("Material Event Notices") of the occurrence of the following events, if it deems them to be material:

1. A delinquency in payment of principal of or interest on the Series 2000 Warrants.
2. Non-payment related defaults under the proceedings of the County authorizing the Series 2000 Warrants, whether or not such defaults constitute an event of default thereunder.
3. Unscheduled draws on any debt service reserve fund reflecting financial difficulties of the County.
4. Unscheduled draws on any credit enhancement or liquidity facility with respect to the Series 2000 Warrants reflecting financial difficulties of the County.
5. Substitution of a credit enhancer for the one originally described in the Official Statement (if any), or the failure of any credit enhancer respecting the Series 2000 Warrants to perform its obligations under the agreement between the County and such credit enhancer.
6. The existence of any adverse tax opinion with respect to the Series 2000 Warrants or events affecting the tax-exempt status of interest on the Series 2000 Warrants.
7. Any modification of the rights of the registered owners of the Series 2000 Warrants.
8. Redemption of any of the Series 2000 Warrants prior to the stated maturity or mandatory redemption date thereof.
9. Defeasance of the lien of any of the Series 2000 Warrants or the occurrence of circumstances which, pursuant to such authorizing proceedings, would cause the Series 2000 Warrants, or any of them, to be no longer regarded as outstanding thereunder.
10. The release, substitution or sale of the property securing repayment of the Series 2000 Warrants.
11. Any changes in published ratings affecting the Series 2000 Warrants.

In addition, the County has covenanted to provide in a timely manner to each information repository and to the appropriate state information repository (if any), notice of the County's failure to provide the Annual Financial Information on or before the date specified herein.

Audited financial statements may be obtained by contacting the County Clerk at 120 Vickery Street, Room 207, Heflin, Alabama 36264 (telephone: 256/463-2951). Material Event Notices will be filed with each NRMSIR designated by the Securities and Exchange Commission and with any Alabama state information repository.

MISCELLANEOUS

Insofar as any statements are made in this Official Statement involving matters of opinion or estimates, whether or not so expressly stated, they are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement should not be construed as a contract with holders of any of the Series 2000 Warrants.

For further information during the initial offering period with respect to the Series 2000 Warrants, contact Steve Swafford, Cleburne County, 118 Emergency Lane, Heflin, Alabama 36264, telephone number (256) 463-7130.

This Official Statement has been approved by the governing body of the Authority.

CLEBURNE COUNTY PUBLIC BUILDING AUTHORITY

By _____
Chairman

CLEBURNE COUNTY COMMISSION

By _____
Chairman

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APPENDIX A

Summary of Documents

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APPENDIX A

Summary of Documents

The following portion of this Official Statement contains summaries of certain provisions of the Lease Agreement 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 County.

THE INDENTURE

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

Definition of Certain Terms

The following definitions of certain terms used in the foregoing Official Statement and this summary supplement the terms elsewhere defined in the Official Statement:

"**Act No. 99-536**" shall mean Act No. 99-536, adopted by the Alabama Legislature at its 1999 Regular Session.

"**Additional Rental Payments**" shall mean additional payments to be made by the County to the Authority pursuant to a supplemental lease agreement entered into pursuant to the Indenture.

"**Authority**" shall mean Cleburne County Public Building Authority.

"**Basic Rental Payments**" shall mean the basic rental payments payable by the County to the Trustee pursuant to the Lease Agreement.

"**Construction Fund**" shall mean the fund by that name established pursuant to the Indenture.

"**County**" shall mean Cleburne County, Alabama.

"**Court Fees**" shall mean the fees and charges imposed and levied by the County pursuant to Act No. 99-536, the Court Fees Election and the Court Fees Resolution.

"**Court Fees Election**" shall mean the election held on October 12, 1999 where the majority of the qualified electors of the County who voted at said election approved the assessment of the Court Fees.

"**Court Fees Resolution**" shall mean the resolution and order adopted by the governing body of the County on October 21, 1999, authorizing the assessment and collection of the Court Fees.

"Debt Service" shall mean the principal, premium (if any) and interest payable on the Series 2000 Warrants.

"Debt Service Fund" shall mean the fund by that name established pursuant to the Indenture.

"Federal Securities" shall mean direct obligations of, or obligations the payment of which is guaranteed by, the United States of America.

"Improvements" shall mean the buildings, structures and improvements to be constructed on the Project Site pursuant to the Lease Agreement.

"Lease Default" shall mean an event of default under the Lease Agreement.

"Maximum Annual Debt Service" shall mean the maximum aggregate amount of principal and interest payable on the Series 2000 Warrants during the then current or any subsequent Fiscal Year; provided, that for purposes of this definition,

(1) the interest payable on any Series 2000 Warrants issued to finance or refinance the acquisition or construction of additions or improvements to the Project shall be excluded from interest payable until such additions or improvements are placed in service, provided that escrowed or trusteed funds are available to pay such interest,

(2) the principal amount of Series 2000 Warrants subject to scheduled mandatory redemption in any Fiscal Year shall be deemed to be payable in such Fiscal Year rather than the Fiscal Year of their stated maturity, and

(3) with respect to Series 2000 Warrants bearing interest at a variable rate, the amount of interest payable during any period for which the actual rate cannot be determined shall be projected using the Prevailing Rate.

"Minimum Reserve Fund Balance" shall mean the lesser of (i) the maximum aggregate amount of principal and interest payable on the Series 2000 Warrants during the then current or any subsequent Fiscal Year calculated in accordance with the definition of "Maximum Annual Debt Service" contained in the Indenture and (ii) the maximum amount of proceeds from the sale of the Series 2000 Warrants that can (under the provisions of Section 148 and any applicable regulations) be paid into, and invested into higher yielding investments forming a part of, a reasonably required reserve fund, without causing the Series 2000 Warrants to be "arbitrage bonds" within the meaning of Section 148.

"Pledged Court Fees Proceeds" shall mean the proceeds of the Court Fees pledged by the County to secure the County's obligations under the Lease Agreement.

"Pledged Revenues" shall mean all Basic Rental Payments and all other revenues, rentals and receipts derived by the Authority from the leasing or sale of the Project.

"Prevailing Rate", when used in connection with the determination of Maximum Annual Debt Service, shall mean the "Bond Buyer Revenue Bond Index" rate for 30-year tax-exempt revenue bonds, as published by The Bond Buyer on any date selected by the County that is within 30 days prior to the date

of such determination; provided, however, that if The Bond Buyer (or a successor publication) ceases to publish such rate, the Prevailing Rate shall be established by an independent nationally recognized securities dealer selected by the County, shall be established on any date selected by the County that is within 30 days prior to the date of such determination, and shall be the rate that would cause 30-year obligations of the County to trade at par, taking into account relevant marketing conditions and credit rating factors as they exist on the date the Prevailing Rate is so established.

"Project" shall mean (i) the Project Site and (ii) the Improvements and all other buildings, structures and improvements now or hereafter located on the Project Site.

"Project Costs" shall mean all costs of acquiring, constructing and improving the Project, including without limitation

- (i) the purchase price and related costs for the acquisition of real property or any interest therein,

- (ii) the cost of labor, materials and supplies furnished or used in the construction, installation, renovation or rehabilitation of buildings, structures and improvements,

- (iii) acquisition, transportation and installation costs for personal property and fixtures,

- (iv) fees for architectural, engineering and supervisory services,

- (v) the expenses incurred in the enforcement of any remedy against any contractor, subcontractor, materialman, vendor, supplier or surety,

- (vi) expenses incurred by the Authority and the County in connection with the financing of the Project, including legal, consulting and accounting fees, and

- (vii) reimbursement to the County for any such costs, fees and expenses paid by it with its own funds.

"Project Site" shall mean the real property and interests on which the Project will be constructed, together with all easements, permits, licenses, rights of way, contracts, leases, tenements, hereditaments, appurtenances, rights, privileges and immunities pertaining or applicable to such real property and interest therein.

"Qualified Investments" shall mean

- (i) Federal Securities,

- (ii) an interest in any trust or fund that invests solely in Federal Securities or repurchase agreements, properly secured, with respect to Federal Securities,

(iii) a certificate of deposit or time deposit issued by any bank organized under the laws of the United States of America or any state thereof with capital, surplus and undivided profits of not less than \$50,000,000,

(iv) a certificate of deposit or time deposit issued by any bank organized under the laws of the United States of America or any state thereof, provided that such deposit is collaterally secured by the issuing bank by pledging Federal Securities having a market value (exclusive of accrued interest) not less than the face amount of such certificate less the amount of such deposit insured by the Federal Deposit Insurance Corporation, and

(v) a repurchase agreement with respect to Federal Securities, provided that the Federal Securities subject to such repurchase agreement are held by or under the control of the Trustee free and clear and third-party liens.

"Reserve Fund" shall mean the fund by that name established pursuant to the Indenture.

"Special Funds" shall mean the Debt Service Fund, Reserve Fund and the Construction Fund.

"Warrant Payment Date" shall mean each date (including any date fixed for redemption of Series 2000 Warrants) on which Debt Service is payable on the Series 2000 Warrants.

Construction Fund

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

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

The Indenture will provide that any balance remaining in the Construction Fund upon completion of the Project shall be deposited in the Debt Service Fund and applied to the payment of Debt Service on the Series 2000 Warrants on the next ensuing Warrant Payment Date.

Debt Service Fund

The Indenture will establish a special trust fund (the "Debt Service Fund") to be used for paying Debt Service on the Series 2000 Warrants as the same shall become due and payable. The Trustee will be the depository, custodian and disbursing agent for the Debt Service Fund. There shall be deposited into the Debt Service Fund, as and when received:

- (i) all premium, (if any) and accrued interest from the sale of the Series 2000 Warrants;
- (ii) all Basic Rental Payments under the Lease Agreement;
- (iii) all other money required to be deposited in the Debt Service Fund pursuant to the Lease Agreement or the Indenture; and
- (iv) all other money received by the Trustee when accompanied by directions that such money is to be deposited in the Debt Service Fund.

Reserve Fund

The required balance in the Reserve Fund is the Minimum Reserve Fund Balance, which will be \$228,654 until such time as any Additional Warrants are issued under the Indenture. Upon the sale of the Series 2000 Warrants, the Authority shall deposit the sum of \$228,654 in the Reserve Fund out of proceeds of the Series 2000 Warrants. If during any month the amount in the Reserve Fund is less than the Minimum Reserve Fund Balance (whether as a result of a withdrawal, the issuance of Additional Warrants, evaluation of said funds, or otherwise), the Authority shall, on or before the last business day of the month following the month in which such determination is made, deposit sufficient funds into the Reserve Fund such that the amount on deposit in the Reserve Fund shall again equal the Minimum Reserve Fund Balance. Money in the Reserve Fund is to be used to pay principal and interest on the Series 2000 Warrants, but only in the event that, at the time of any principal or interest payment date, money then held in the Debt Service Fund is insufficient for such purpose.

Investment of Special Funds

Any money held as part of a Special Fund must be invested or reinvested in Qualified Investments by the Trustee in accordance with the instructions of the Authority if no Lease Default exists, to the extent that such investment is, in the opinion of the Trustee, feasible and consistent with the purposes for which such Fund was created. Any investments made with money on deposit in the Special Fund must be held by or under control of the Trustee and are deemed at all times a part of the Special Fund where such money was on deposit, and the interest and profits realized from such investments must be credited to such Fund and any loss resulting from such investment must be charged to such Fund.

Events of Default and Remedies

An event of default results under the Indenture from (i) default in the payment of any interest due upon any Series 2000 Warrant when such interest becomes due and payable; (ii) default in the payment of the principal of (or premium, if any, on) any Series 2000 Warrant when such principal (or premium, if any) becomes due and payable, whether at its stated maturity, by declaration of acceleration or call for redemption or otherwise; (iii) default in the performance, or breach of, any covenant or warranty of the Authority in the Indenture (other than default in connection with the payment of Debt Service), and continuation of such default or breach for a period of 30 days after there has been given, by registered or certified mail, to the Authority and the County by the Trustee, or to the Authority, the County and the Trustee by the holders of at least 10% in principal amount of outstanding Series 2000 Warrants, a written notice specifying such default or breach and requiring it to be remedied; or (iv) the occurrence of an event

of default under the Indenture or the Lease Agreement and the expiration of the applicable gross period, if any, specified therein.

The Indenture provides that the Trustee is empowered, upon the occurrence of an event of default, to accelerate the maturity of all the Series 2000 Warrants then outstanding; to institute legal and equitable proceedings to enforce and protect the rights of the Series 2000 Warrantholders; and to have a receiver appointed for the Authority.

The holders of a majority in principal amount of outstanding Series 2000 Warrants shall have the right, during the continuance of an event of default (i) to require the Trustee to proceed to enforce the Indenture, either by judicial proceedings for the enforcement of the payment of the Series 2000 Warrants and (ii) to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee.

The mortgage lien on the Project granted by the Indenture shall not be subject to foreclosure and shall not be construed so as to compel the sale of the Project or any part thereof.

The Trustee shall have the right, in its own name or on behalf of the Authority, to declare any default and exercise any remedies under the Lease Agreement.

Amendment of the Indenture

The Indenture permits the Trustee and the Authority, without the consent of the holders of the Series 2000 Warrants, to enter into supplemental indentures in order, among other things, to add further covenants and agreements on the part of the Authority, to cure ambiguities, technical defects or inconsistent provisions, or to subject additional security or property to the lien of the Indenture. The Indenture also permits the Authority and the Trustee, with the consent of the holders of not less than a majority in principal amount of the Series 2000 Warrants then outstanding, to amend or modify the Indenture, except that, without the consent of the holder of each Series 2000 Warrant affected, the Authority and the Trustee may not, among other things, (i) change the stated maturity of the principal of, or any installment of interest on, any Series 2000 Warrant, or reduce the principal amount thereof or the interest thereon, or change any place of payment where Debt Service on the Series 2000 Warrant is payable, (ii) reduce the percentage of Series 2000 Warrantholders whose consent is required for any waiver or the execution of any supplemental indenture or (iii) permit the creation of any lien on the Trust Estate prior to, or on a parity with, the Indenture.

Amendment to Lease Agreement

The Indenture permits the Trustee to consent to the execution and delivery by the Authority and the County of an amendment to the Lease Agreement to cure ambiguities, technical defects or inconsistent provisions, or to subject to the demise of the Lease Agreement additional property. The Indenture also permits the Authority and the County, with the consent of the holders of not less than a majority in principal amount of the Series 2000 Warrants then outstanding, to add any provisions or change in any manner or eliminate any of the provisions of the Lease Agreement or to modify in any manner the rights of the Authority, the Trustee or the holders of the Series 2000 Warrants under the Lease Agreement; provided, however, that without the consent of the holders of all outstanding Series 2000 Warrants, no such

amendment shall relieve the County from the obligation to make Basic Rental Payments at times and in amounts sufficient to pay Debt Service on the Series 2000 Warrants when due.

Concerning the Trustee

The Indenture provides that the Trustee shall not be liable thereunder except for its willful misconduct or its negligence. The Trustee may consult with counsel, who may or may not be counsel to the Trustee, and the opinion or advice of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith. The Trustee is not required to expend its own funds or otherwise incur any financial liability in the performance of its duties under the Indenture without reasonable assurance of repayment or indemnity.

The Trustee may, but is not required to, make advances to effect the performance by the Authority of its covenants and agreements. All sums so expended by the Trustee, together with interest at the rate prescribed in the Indenture, shall be secured by the Indenture and shall be entitled to priority of payment over any of the Series 2000 Warrants.

The Trustee may resign and be discharged from the trusts of the Indenture upon written notice to the Authority. The Trustee may be removed by written instrument signed by the holders of a majority in principal amount of the Series 2000 Warrants then outstanding under the Indenture. If the Trustee resigns, is removed or becomes otherwise incapable of serving, a successor may be appointed by written instrument signed by the holders of a majority in principal amount of the Series 2000 Warrants then outstanding under the Indenture.

Defeasance; Satisfaction of Indenture

Whenever the entire indebtedness secured by the Indenture shall have been fully paid, the Trustee shall cancel and discharge the lien of the Indenture. For purposes of the Indenture, any Series 2000 Warrant shall be deemed to have been paid when the Trustee shall have received the entire amount (principal, interest and premium, if any) payable on such Series 2000 Warrant until and at maturity or redemption thereof, or a trust for such payment, consisting of any combination of cash and/or Federal Securities, has been established with the Trustee. The anticipated income from such Federal Securities may be included in the calculation of the required deposit to such trust. If a trust is established for such purpose as aforesaid, the Authority shall simultaneously furnish the Trustee with a certificate executed by an independent certified public accountant establishing that the principal and interest from the investments in such trust will be sufficient to pay the debt service requirements of the Series 2000 Warrants until and including their respective maturity or redemption dates.

THE LEASE AGREEMENT

The following, in addition to information herein contained under the headings "INTRODUCTION", "SOURCE OF PAYMENT AND SECURITY FOR THE SERIES 2000 WARRANTS", and "THE SERIES 2000 WARRANTS", summarizes certain provisions of the Lease Agreement.

Term of Lease Agreement

The initial term of the Lease Agreement will begin on the date of delivery of the Lease Agreement and, subject to the County's renewal option described below, shall continue until midnight of September 30, 2000.

Renewal Option

The Lease Agreement provides that the County shall have the option to renew the Lease Agreement for a term of 12 months beginning on October 1, 2000, and continuing until and including September 30, 2001, and shall have the further option from year to year thereafter to renew the Lease Agreement for successive terms of 12 months each, each such renewal term to coincide with the fiscal year of the County; provided, however, that if the Lease Agreement is not renewed for any renewal term, no renewal may thereafter be made for any subsequent renewal term.

The option to renew shall be deemed to have been exercised upon the occurrence of any of the following events:

(a) if the County continues to occupy the Project on the first day of such renewal term; and

(b) if on or prior to 30 days prior to such renewal term, the County shall have failed to notify the Authority, in writing, that the option to renew will not be exercised.

Construction of Project

The Lease Agreement further provides that the Improvements to be constructed on the Project Site will substantially conform to plans and specifications reviewed and approved by the County. The County shall be solely responsible for the planning and design of the Improvements, the preparation of contracts and purchase orders for the Improvements and the supervision of the work on the Improvements. The County is permitted to make withdrawals from the Construction Fund for the payment of the costs of the Project (including reimbursement to the County for such costs), provided that the County must deliver to the Trustee a duly completed requisition for each such withdrawal.

Rental Provisions

The County is required to make "Basic Rental Payments" to the Trustee for the account of the Authority, in installments as follows:

(a) on or before the third business day prior to each Warrant Payment Date, an amount equal to debt service payable on the Series 2000 Warrants due on such Warrant Payment Date; provided that any amount already on deposit in the Debt Service Fund on the due date of such Basic Rental Payment shall be credited against the amount of such Basic Rental Payment;

(b) on each Warrant Payment Date, the amount by which debt service payable on such Warrant Payment Date exceeds the amount on deposit in the Debt Service Fund

and available therefore, it being intended that the Basic Rental Payments shall be in amounts sufficient to pay debt service on the Series 2000 Warrants when due; and

(c) on or before the 30th day following each Warrant Payment Date, in immediately available funds, an amount equal to the difference between the Minimum Reserve Fund Balance and the amount on deposit in the Reserve Fund shall be deposited in the Reserve Fund.

If any Basic Rental Payment is due on a day which is not a business day, such payment shall be made on the first succeeding day which is a business day.

Pledge of Pledged Court Fees Proceeds

(a) So long as the Lease Agreement is in effect, the County has irrevocably pledged and assigned the Pledged Court Fees Proceeds to the payment of the Basic Rental Payments. The pledge and assignment of the Pledged Court Fees Proceeds will be prior and superior to any and all pledges, assignments and other agreements respecting the Pledged Court Fees Proceeds hereafter made by the County.

(b) The County has covenanted to use the Pledged Court Fees Proceeds to make the Basic Rental Payments; provided, however, that after all Basic Rental Payments due on a Warrant Payment Date have been made, the County may use the remaining Pledged Court Fees Proceeds for any purpose permitted by Act No. 99-536 and the Court Fees Resolution.

(c) The County has covenanted that, so long as the Lease Agreement is in effect, the County will continue to impose, assess and collect the Pledged Court Fees Proceeds to the maximum extent permitted by law. The County will not reduce any rate or rates at which the Court Fees are imposed and assessed, or create any exception therefrom, or otherwise amend or change the Court Fees Resolution, if as a result of such amendment or change, the amount of Pledged Court Fees Proceeds received by the County during the then current or any subsequent fiscal year shall be reduced below the amount of Pledged Court Fees Proceeds collected by the County during the last fiscal year preceding the effective date of such amendment or change.

Covenant Not to Relocate

The County has covenanted in the Lease Agreement not to relocate the Cleburne County Jail to any building that is not part of the Project so long as any of the Series 2000 Warrants are outstanding.

Maintenance of the Project

The Lease Agreement will require the County, at its own expense, to keep the Project in good repair, including, but not limited to, lighting, heating, air conditioning, access, ingress, egress, sanitary facilities, water facilities and other services incidental to the Project. The Lease Agreement will permit the County, at its own expense, to make any additions, alterations, improvements or modifications to the Project that it may deem desirable for its purposes and that do not significantly impair the value or utility of the Project. All such additions, alterations, improvements and modifications made by the County will, under the terms of the Lease Agreement, become a part of the Project.

Insurance

The Lease Agreement will require the County to keep the Project insured at all times in amounts customarily carried, and against loss or damage from such causes as are customarily insured against, for similar facilities.

Damage To or Destruction of Project

If the Project is damaged or destroyed by fire or other casualty, the County is obligated under the Lease Agreement to repair, rebuild, restore or replace the property damaged or destroyed. If the amount of loss proceeds of insurance on the Project available to pay the costs of such work is not sufficient for such purpose, the County must complete such work at its own expense.

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 Agreement:

- (a) failure by the County to make any Basic Rental Payment on the date such Basic Rental Payment shall become due and payable;
- (b) default in the performance, or breach, of any covenant or warranty of the County in the Lease Agreement and the continuance of such default or breach for a period of 30 days after there has been given, by registered or certified mail, to the County by the Authority or by the Trustee a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "notice of default" under the Lease Agreement; or
- (c) any representation or warranty made by the County in any document, instrument or certificate furnished to the Authority, the Trustee or any Series 2000 Warrantholder in connection with the issuance of the Series 2000 Warrants shall at any time prove to have been false or incorrect in any material respect as of the time made.

Whenever any Event of Default shall have occurred and be continuing, the Authority and the Trustee (or the Trustee on behalf of the Authority) may take any one or more of the following remedial actions: (i) declare all installments of Basic Rental Payments for the remainder of the term of the Lease Agreement to be immediately due and payable, plus the redemption premium (if any) payable with respect thereto, plus the interest accrued thereon to the date of such declaration and (ii) take whatever other actions at law or in equity may appear necessary or desirable to collect the rent due or to enforce any obligation, covenant or agreement of the County under the Lease Agreement.

Amendment of the Lease Agreement

Any amendment of the Lease Agreement must comply with the applicable provisions of the Indenture. See "Amendment of the Lease Agreement" under "SUMMARY OF THE INDENTURE".

APPENDIX B

Proposed Opinion of Bond Counsel

[Closing Date]

Holders of the Series 2000 Warrants referred
to below

**Re: \$2,830,000 Revenue Warrants (County Jail Project), Series 2000 dated June 1, 2000,
issued by Cleburne County Public Building Authority**

We have acted as bond counsel in connection with the issuance of the above-referenced warrants (the "Series 2000 Warrants") by Cleburne County Public Building Authority, a public corporation organized under the laws of the State of Alabama, including particularly Article 1, Chapter 15, Title 11, Section 11-15-1, et seq. of the Code of Alabama (1975) (the "Enabling Law"). The Authority has duly authorized the issuance of its warrants (the "Series 2000 Warrants") pursuant to that certain Trust Indenture dated June 1, 2000 (the "Indenture") between the Authority and Regions Bank, an Alabama state banking institution (the "Trustee"). Capitalized terms not otherwise defined in this opinion shall have the meaning assigned in the Indenture.

The Series 2000 Warrants have been issued pursuant to the Indenture for the purpose of acquiring, constructing, equipping and installing county jail facilities (such facilities and the real property on which they are located being herein together called the "Project") for lease to Cleburne County, Alabama (the "County") pursuant to a Lease Agreement dated June 1, 2000 (the "Lease Agreement") between the Authority and the County.

Pursuant to the Lease Agreement, the Authority has leased the Project to the County and the County has agreed to pay rentals at times and in amounts sufficient to pay when due the principal of, premium (if any) and interest (the "Debt Service") on the Series 2000 Warrants. Pursuant to the Indenture, the Authority has (i) assigned and pledged to the Trustee all the Authority's rights under the Lease Agreement and (ii) granted a non-foreclosable mortgage on and security interest in the Project and certain other collateral (the "Trust Estate") to secure the payment of Debt Service on the Series 2000 Warrants.

The Series 2000 Warrants are limited obligations of the Authority payable solely from the following sources (herein collectively referred to as the "Pledged Revenues"): (i) the Basic Rental Payments payable by the County to the Authority pursuant to the Lease Agreement, (ii) any other revenues, rentals or receipts derived by the Authority from the leasing or sale of the Project and (iii) the proceeds of the Trust Estate.

We have examined executed counterparts of the Indenture, the Lease Agreement and that certain Warrant Purchase Agreement dated June 12, 2000 (the "Warrant Purchase Agreement") between the Authority and Regions Investment Company, Inc. (herein collectively referred to as the "Financing Documents"), and such other certificates, proceedings, proofs and documents as we have deemed necessary in connection with the opinions hereinafter set forth.

As to various questions of fact material to our opinion, we have relied upon the representations made in the documents described above and upon certificates of certain public officials and officers of the Authority, the County and the Trustee (including without limitation certificates by the Authority as to the use of the proceeds of the Series 2000 Warrants which are material to our opinion in paragraphs 5, 6 and 7 below), without undertaking to verify the same by independent investigation. Based upon the foregoing and upon such investigation as we have deemed necessary, we are of the opinion that:

1. The Authority has been duly organized as a public corporation under the provisions of the Enabling Law.

2. The Authority has corporate power and authority to enter into and perform its obligations under each of the Financing Documents to which it is a party and to issue and deliver the Series 2000 Warrants. The execution, delivery and performance of its obligations under each of the Financing Documents to which it is a party and the issuance and delivery of the Series 2000 Warrants by the Authority have been duly authorized by all requisite corporate action, and such Financing Documents and the Series 2000 Warrants have been duly executed and delivered by the Authority.

3. The Series 2000 Warrants constitute legal, valid and binding limited obligations of the Authority, payable as to principal, premium (if any) and interest solely out of the Pledged Revenues and the proceeds of the Trust Estate.

4. The Indenture, the Lease Agreement and the Warrant Purchase Agreement constitute legal, valid and binding obligations of the Authority and are enforceable against the Authority in accordance with the terms of such instruments. The Indenture creates a valid lien on the Trust Estate and the rights of the Authority under the Lease Agreement on a parity with other bonds (if any) to be issued under the Indenture.

5. Under existing law, interest on the Series 2000 Warrants will be excluded from gross income of the holders thereof for purposes of federal income taxation, except that the Authority, by failing to comply with all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the Series 2000 Warrants, may cause interest on the Series 2000 Warrants to be included in gross income of the holders thereof, retroactive to the date of issuance. The Authority has covenanted that it will comply with all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the Series 2000 Warrants in order that interest thereon be and remain excluded from gross income.

6. Under existing law, interest on the Series 2000 Warrants will not be 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 such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on such corporations.

7. The Series 2000 Warrants are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Internal Revenue Code and, in the case of a financial institution (as defined in Section 265(b)(5) of the Internal Revenue Code, a deduction is allowed for 80% of that portion of such financial institution's interest expense allocable to interest on the Series 2000 Warrants. For purposes of the opinion expressed in this paragraph, we have relied upon certifications by officers of the Authority with respect to the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, within the meaning of Section 265 of the Internal Revenue Code) to be issued by the Authority and its subordinate entities during the 2000 calendar year.

8. Under existing law, interest on the Series 2000 Warrants is exempt from Alabama income taxation.

We express no opinion regarding federal tax consequences arising with respect to the Series 2000 Warrants, other than the opinions expressed in paragraphs 5, 6 and 7 above.

The rights of the holders of the Series 2000 Warrants and the enforceability of the Series 2000 Warrants and the Indenture may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and general principles of equity, including the exercise of judicial discretion in appropriate cases.

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the Series 2000 Warrants (except to the extent, if any, stated in the Official Statement), and we express no opinion relating thereto (excepting only the matters set forth as our opinion in the Official Statement).

Faithfully yours,

MAYNARD, COOPER & GALE, P.C.

By: _____
