

**A RESOLUTION AUTHORIZING THE ISSUANCE OF THE COUNTY'S
SEWER REVENUE REFUNDING WARRANT, SERIES 2003-A,
AND THE COUNTY'S EIGHTH SUPPLEMENTAL INDENTURE
SECURING SAID WARRANT**

BE IT RESOLVED AND ORDERED by the County Commission (the "County Commission") of Jefferson County (herein the "County") in the State of Alabama as follows:

Section 1. In the opinion of the County Commission, it is necessary, desirable and in the public interest that the County purchase its Taxable Sewer Revenue Warrant, Series 1997-C, dated February 15, 1997 (the "Series 1997-C Warrant") for cancellation.

Section 2. In order to comply with the requirements of Article X of that certain Trust Indenture between the County and The Bank of New York (as successor to AmSouth Bank of Alabama in its capacity as Trustee under said Trust Indenture and herein the "Trustee"), dated as of February 1, 1997 (herein called the "Indenture"), so that a single Sewer Revenue Refunding Warrant, Series 2003-A in the aggregate principal amount of \$41,820,000 (herein called the "Warrant"), of the County may be issued as an Additional Parity Security under the provisions of the Indenture, the County does hereby request that the Trustee authenticate, register and deliver the Warrant to the purchaser thereof, and makes the following recitals preliminary to the issuance of the Warrant (capitalized terms not defined herein shall have the meaning given to such term in the Indenture):

- (1) no Event of Default has occurred and is continuing and no event which, with the giving of notice or the passage of time or both, would constitute an Event of Default has occurred and is continuing;
- (2) under and pursuant to the provisions of the Indenture, the County has heretofore issued (i) \$211,040,000 principal amount of Sewer Revenue Refunding Warrants, Series 1997-A dated February 1, 1997, (ii) \$48,020,000 principal amount of Taxable Sewer Revenue Refunding Warrants, Series 1997-B dated February 1, 1997, and (iii) \$52,880,000 principal amount of the Taxable Sewer Revenue Refunding Warrant, Series 1997-C dated February 15, 1997 (the foregoing referred to herein collectively as the "Original Indenture Indebtedness");
- (3) pursuant to the provisions of Article X of the Indenture, the County has heretofore issued as Additional Parity Securities (a) its \$296,395,000 aggregate principal amount of Sewer Revenue Warrants, Series 1997-D, dated March 1, 1997 (herein called the "Series 1997-D Warrants"), which are now outstanding in the principal amount of \$115,740,000, (b) its

APPROVED BY THE

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JEFFERSON COUNTY COMMISSION

DATE: 1-7-03

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\$952,695,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 1999-A, dated March 1, 1999 (herein called the "Series 1999-A Warrants"), which are now outstanding in the principal amount of \$506,910,000, (c) its \$275,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2001-A, dated March 1, 2001 (herein called the "Series 2001-A Warrants"), which are now outstanding in the principal amount of \$176,840,000, (d) its \$110,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2002-A, dated March 6, 2002 (herein called the "Series 2002-A Warrants"), (e) its \$540,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2002-B, dated September 1, 2002 (herein called the "Series 2002-B Warrants"), (f) its \$839,500,000 aggregate principal amount of Sewer Revenue Refunding Warrants, Series 2002-C, dated October 25, 2002 (herein called the "Series 2002-C Warrants") and (g) its \$475,000,000 aggregate principal amount of Sewer Revenue Capital Improvement Warrants, Series 2002-D, dated November 1, 2002 (herein called the "Series 2002-D Warrants") (the foregoing herein collectively referred to as the "Prior Additional Parity Securities"). Such series of Additional Parity Securities have been issued under the Indenture, as supplemented and amended by the First Supplemental Indenture dated as of March 1, 1997 (herein called the "First Supplemental Indenture"), the Second Supplemental Indenture dated as of March 1, 1999 (herein called the "Second Supplemental Indenture"), the Third Supplemental Indenture dated as of March 1, 2001 (herein called the "Third Supplemental Indenture"), the Fourth Supplemental Indenture dated as of February 1, 2002 (herein called the "Fourth Supplemental Indenture"), the Fifth Supplemental Indenture dated as of September 1, 2002 (herein called the "Fifth Supplemental Indenture"), the Sixth Supplemental Indenture dated as of October 1, 2002 (herein called the "Sixth Supplemental Indenture") and the Seventh Supplemental Indenture dated as of November 1, 2002 (herein called the "Seventh Supplemental Indenture"), between the County and the Trustee;

- (4) the Warrants will not be secured by the Reserve Fund.

Section 3. Pursuant to the applicable provisions of the Constitution and laws of the State of Alabama, including particularly Chapter 28 of Title 11 of the Code of Alabama 1975, as amended, and for the purpose of purchasing for cancellation the Series 1997-C Warrants, the Warrant is hereby authorized to be issued in the aggregate principal amount of \$41,820,000 under the terms, conditions and provisions set out in the Eighth Supplemental Indenture provided for in Section 8 of this resolution and the Special Authority Loan Conditions Agreement provided for in Section 10 of this resolution. The Warrant is being issued as an "Additional Parity Security" pursuant to Article X of the Indenture.

Section 4. The principal of and interest on the Warrant shall be payable solely from the revenues derived from operation of the sanitary sewer system of the County (herein, as it may at any time exist, called the "System") that remain after the payment of the expenses of operating and maintaining the System, i.e., the Pledged Revenues (excluding the Reserve Fund). Neither the Warrant nor any of the agreements herein contained shall ever constitute a general obligation indebtedness of the County. The general faith and credit of the County are not pledged to the payment of the Warrant. None of the agreements, representations or warranties made or implied in this resolution or in the issuance of the Warrant, shall ever impose any personal or pecuniary liability or charge upon the County, whether before or after any breach by the County of any such agreement, representation or warranty, except with the revenues herein provided. Nothing contained in this section, however, shall relieve the County from the performance of the several covenants and representations on its part herein contained.

Section 5. All remittances of principal of and interest on the Warrant to the holder thereof shall be made at par without any deduction for exchange or other costs, fees or expenses. The bank or banks at which the Warrant shall at any time be payable shall be considered by acceptance of their duties hereunder to have agreed that they will make or cause to be made remittances of principal of and interest on the Warrant out of the moneys provided for that purpose, in bankable funds at par without any deduction for exchange or other costs, fees or expenses. The County will pay to such bank or banks all reasonable charges made and expenses incurred by them in performing the duties of Paying Agent with respect to the Warrant.

Section 6. The County hereby designates The Bank of New York as the Paying Agent with respect to the Warrant. The Paying Agent may be removed at any time by the County upon 30 days' notice given to the Paying Agent. The County will pay or cause to be paid to the Trustee reasonable compensation for its services as trustee, paying agent, registrar and transfer agent under the Eighth Supplemental Indenture and also all its reasonable expenses and disbursements in connection therewith.

Section 7. Whenever all the Warrant and the interest thereon shall have been paid in full or provision made for the payment thereof as provided in the Eighth Supplemental Indenture referred to in Section 8 hereof, and all the agreements on the part of the County herein and therein contained with respect thereto shall have been performed, then upon the happening of such events the obligations of the County hereunder shall thereupon cease.

Section 8. As security for the payment of the principal of and interest on the Original Indenture Indebtedness, the Prior Additional Parity Securities, the Warrant and any Additional Parity Securities that may be issued under the Indenture, pro rata and without preference of one over another, the County Commission does hereby authorize and direct the President the County

Commission to execute and deliver, in the name of and in behalf of the County, to the Trustee, an Eighth Supplemental Indenture in substantially the form presented to the meeting of the County Commission at which this resolution is adopted (which form shall be attached to the minutes of said meeting as Exhibit I thereto and which is made a part of this resolution as if set out in full herein), and does hereby authorize and direct the Minute Clerk of the County Commission to affix to such Eighth Supplemental Indenture the official seal of the County and to attest the same.

Section 9. The Warrant is hereby sold to Alabama Water Pollution Control Authority (the "Authority"), at a purchase price equal to \$41,820,000. The President of the County Commission is hereby authorized and directed to execute, in the name and on behalf of the County, the Warrant and the Minute Clerk is hereby directed to affix to the Warrant the seal of the County and to attest the same; and said President is hereby directed thereupon to deliver the Warrant to the Trustee, and to direct the Trustee to authenticate, register and deliver the Warrant to the said purchaser thereof.

Section 10. The President is hereby authorized and directed to execute and deliver, in the name and on behalf of the County, the Special Authority Loan Conditions Agreement, in substantially the form attached hereto as Exhibit II and which is made a part of this resolution as if set out in full herein. The President and the Minute Clerk, or either of them, are each hereby authorized and directed to execute such other documents or certificates necessary in order to carry out the transactions contemplated by this resolution, the Eighth Supplemental Indenture and the Special Authority Loan Conditions Agreement.

Section 11. The President is hereby authorized and directed to execute and deliver, in the name and on behalf of the County, the Continuing Disclosure Agreement, in substantially the form marked Exhibit III to the minutes of the meeting at which this resolution is adopted and made a part hereof as if set out in full herein, and the Minute Clerk is hereby authorized and directed to affix the seal of the County to the said Continuing Disclosure Agreement and to attest the same. The said Continuing Disclosure Agreement is to be entered into contemporaneously with the issuance of the Warrant in order to assist the Authority in complying with Rule 15c2-12 of the Securities and Exchange Commission. The County understands that compliance with the said Continuing Disclosure Agreement is a material agreement made by the County in connection with and as a condition to the purchase by the Authority of the Warrant. The rights of enforcement of the said Continuing Disclosure Agreement shall be as provided therein, and in no event shall a default by the County thereunder constitute a default hereunder.

Section 12. The proceeds from the sale of the Warrant shall be used to purchase the Series 1997-C Warrant for cancellation pursuant to Section 9.4 of the Indenture. Upon the purchase of the Series 1997-C Warrant from the Authority, the President is hereby authorized and directed to deliver

to the Trustee the Series 1997-C Warrant along with a written order for the cancellation of said Series 1997-C Warrant.

Section 13. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

Section 14. Creation of Contract. The provisions of this resolution shall constitute a contract between the County and each holder of the Warrant.

Commissioner Collins moved that the resolution be adopted by the County Commission, which motion was seconded by Commissioner Buckelew and upon being put to vote, the following vote was recorded:

YEAS:

Commissioner Bettye Fine Collins

Commissioner Mary M. Buckelew

Commissioner Larry Langford

Commissioner Gary White

NAYS:

The President of the County Commission thereupon announced that the motion for adoption of said resolution had been unanimously approved by all members of the County Commission present.

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There being no further business to come before the County Commission, the meeting was duly adjourned.

Larry Langford (H&D) 1/7/13
President of the Jefferson County Commission

Diane Younger
Minute Clerk of the Jefferson County
Commission