

JEFFERSON COUNTY, ALABAMA
JEFFERSON COUNTY PUBLIC BUILDING AUTHORITY
LEASE REVENUE WARRANTS, SERIES 2006

CUSIP Numbers on Attached Schedule A

MATERIAL EVENT NOTICE
January 17, 2013

The following information is provided by Jefferson County, Alabama (the “County”) pursuant to a Continuing Disclosure Agreement executed and delivered by the County in connection with the Jefferson County Public Building Authority (the “Authority”) Lease Revenue Warrants, Series 2006 described on Schedule A hereto (the “Warrants”), in compliance with Securities and Exchange Commission Rule 15c2-12. The Warrants were issued and are outstanding under a Trust Indenture dated August 1, 2006 (the “Original Indenture”), as supplemented and amended by a First Supplemental Trust Indenture dated as of January 1, 2013 (together with the Original Indenture, the “Indenture”), between the Authority and First Commercial Bank, as trustee (the “Trustee”).

The County has finalized the settlement and restructuring of its obligations with respect to the Warrants as described in the Trustee’s *Notice to Warrantholders of Stipulation and Agreement with Jefferson County, Alabama, the Jefferson County Public Building Authority and Ambac Assurance Corporation* dated November 28, 2012 and available on the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access site at the following link: <http://emma.msrb.org/EP714387-EP555000-EP956142.pdf>. The effective date of the settlement was January 9, 2013, and the County’s obligations are now governed by the Indenture and a new Lease Agreement dated as of January 1, 2013.

The following documents are attached to this notice:

1. First Supplemental Trust Indenture dated as of January 1, 2013 between the Authority and the Trustee;
2. Lease Agreement dated as of January 1, 2013 between the Authority and the County;
3. Order Approving Stipulation entered by the United States Bankruptcy Court for the Northern District of Alabama on December 20, 2012; and
4. Form of endorsement by Ambac Assurance Corporation of its policy of bond insurance issued with respect to the Warrants.

SCHEDULE A

Lease Revenue Warrants, Series 2006

<u>Maturity</u>	<u>CUSIP</u>	<u>Insurer</u>
4/1/2013	47267PAF0	Ambac
4/1/2014	47267PAG8	Ambac
4/1/2015	47267PAH6	Ambac
4/1/2016	47267PAJ2	Ambac
4/1/2017	47267PAK9	Ambac
4/1/2018	47267PAL7	Ambac
4/1/2019	47267PAM5	Ambac
4/1/2020	47267PAN3	Ambac
4/1/2021	47267PAP8	Ambac
4/1/2026	47267PAQ6	Ambac

ATTACHMENT 1



20130109000025580 1/16
Bk: LR201360 Pg: 4446
Jefferson County, Alabama
I certify this instrument filed on
01/09/2013 01:43:57 PM AGREE
Judge of Probate- Alan L. King

16
61.00

FIRST SUPPLEMENTAL TRUST INDENTURE

Dated as of January 1, 2013

Between

THE JEFFERSON COUNTY PUBLIC BUILDING AUTHORITY

and

FIRST COMMERCIAL BANK

**Relating to the issuance of
\$86,745,000
Lease Revenue Warrants, Series 2006
by
The Jefferson County Public Building Authority**

THIS FIRST SUPPLEMENTAL TRUST INDENTURE, dated as of January 1, 2013 (this "First Supplemental Indenture"), is entered into by and between **THE JEFFERSON COUNTY PUBLIC BUILDING AUTHORITY**, an Alabama public corporation (the "Authority"), and **FIRST COMMERCIAL BANK**, an Alabama banking corporation, not individually, but as Trustee under that certain Trust Indenture dated August 1, 2006 (the "Trustee").

RECITALS

A. The Authority has previously issued and has outstanding its Lease Revenue Warrants, Series 2006 (the "Series 2006 Warrants") pursuant to that certain Trust Indenture, dated August 1, 2006 (the "Original Indenture"), by and between the Authority and the Trustee. The Series 2006 Warrants were issued to provide financing for Jefferson County, Alabama, a political subdivision of the State of Alabama (the "County"), to acquire and construct certain facilities described more particularly in the Original Lease Agreement described below (the "Warrant-Financed Facilities"). This First Supplemental Trust Indenture dated as of January 1, 2013 (the "First Supplemental Indenture") is executed and delivered by the Authority and the Trustee to amend and supplement the Original Trust Indenture. The Original Trust Indenture, as supplemented and amended by this First Supplemental Indenture, is herein referred to as the "Indenture".

B. The Authority leased the Warrant-Financed Facilities to the County pursuant to a Lease Agreement dated August 1, 2006 (the "Original Lease Agreement") executed in connection with the issuance by the Authority of the Series 2006 Warrants. Simultaneously with the execution and delivery of this First Supplemental Trust Indenture, the Authority and the County have executed and delivered a Lease Agreement dated as of January 1, 2013 (the "Lease Agreement") to implement that certain Stipulation and Agreement Regarding the Settlement and Resolution of Certain Disputes entered into by and among the County, the Authority, the Trustee, and Ambac Assurance Corporation, a Wisconsin stock insurance corporation (the "Bond Insurer"). The Original Lease Agreement has been rejected and terminated and the Lease Agreement is substituted for the Original Lease Agreement for all purposes from and after the execution and delivery hereof.

C. The Series 2006 Warrants and all other payment obligations under the Indenture, are and shall be limited obligations under the Authority payable solely out of the Trust Estate, including payments by the County pursuant to the Lease Agreement.

D. As security for the payment of the Series 2006 Warrants and all other obligations under the Indenture, the Authority shall, pursuant to this First Supplemental Indenture, confirm and ratify the assignment and pledge of all the Authority's rights under the Lease Agreement to the Trustee, except for certain rights relating to indemnification, reimbursement of expenses and receipt of notices and other communications, and the Trustee shall, pursuant to and at the time set forth in this First Supplemental Indenture, assign and pledge all the Authority's rights under the Lease Agreement to the Bond Insurer.

E. As additional security for the payment of the Series 2006 Warrants and all other obligations under the Indenture, the Authority has granted, pursuant to the Original Indenture, a non-foreclosable mortgage on the Warrant-Financed Facilities to the Trustee, and the Trustee shall assign, pursuant to and at the time set forth in this First Supplemental Indenture, such non-foreclosable mortgage on the Warrant-Financed Facilities to the Bond Insurer.

F. Scheduled payments of the principal of and interest on the Series 2006 Warrants are insured by a financial guaranty insurance policy issued by the Bond Insurer simultaneously with the delivery of the Series 2006 Warrants.

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSETH:

It is hereby agreed by the Authority and the Trustee, for and in consideration of the premises and the mutual covenants hereinafter contained, as follows:

ARTICLE 1

Definitions and Other Provisions of General Application

SECTION 1.1 Definitions

(a) Except as otherwise indicated herein and unless the context clearly indicates a different meaning, all terms herein shall have the respective meanings set forth in Section 1.1 and the recitals of the Original Indenture, as amended and supplemented by this First Supplemental Indenture.

(b) The following definitions in Section 1.1 of the Original Indenture shall be amended to read as follows:

“Insurer Default” shall mean any one or more of the following events:

(a) the Insurer shall fail to pay a claim properly made under the terms of the Insurance Policy; or

(b) the Insurer shall declare that it is not obligated to honor future claims on the Insurance Policy; or

(c) the Insurer or a receiver (or other similar person with authority to control the disposition of the Insurer’s assets) shall declare that the Insurer will not be able to pay in full, on a timely basis, future claims on the Insurance Policy.

A Insurer Default shall “exist” if a Insurer Default shall have occurred and be continuing.

“Lease Agreement” shall mean that certain Lease Agreement, dated as of January 1, 2013, between the Authority and the County.

“Lease Payments” or ***“Rental Payments”*** shall mean the semiannual rental payments required to be paid by the County pursuant to Section 4.2 of the Lease Agreement. Lease Payments or Rental Payments shall be comprised of the Debt Service Component and the Reserve Fund Replenishment Component.

“Tax Certificate and Agreement” shall mean, collectively, that certain Tax Certificate and Agreement dated August 1, 2006, entered into by the County and the Authority in connection with the issuance of the Series 2006 Warrants, and that certain Tax Certificate and Agreement dated January 9, 2013, entered into by the County and the Authority in connection with the execution and delivery of the Lease Agreement and this First Supplemental Indenture.

(c) Section 1.1 of the Original Indenture shall be amended by adding the following definitions:

“Debt Service Component” shall mean the respective portion of each semiannual Rental Payment, as set forth in the Indenture Payment Schedule, that is payable by the County under the

Lease Agreement to the Trustee for deposit in the Debt Service Fund under Section 8.1 of the Indenture or to the Bond Insurer for its own account under Section 16.4 of the Indenture.

“Expense Reserve” shall have the meaning assigned in Section 8.4.

“Indenture Payment Schedule” shall mean the schedule attached as Exhibit 8.1 to this First Supplemental Indenture.

“Reserve Fund Replenishment Component” shall mean the respective portion of certain semiannual Rental Payments, as set forth in the Indenture Payment Schedule, that is payable by the County under the Lease Agreement to the Trustee for deposit in the Reserve Fund under Section 8.2 of the Indenture.

“Trustee Expense Reserve Fund” shall mean the fund established under Section 8.4.

(d) Section 1.1 of the Original Indenture shall be amended by deleting the following definition:

“Minimum Reserve Fund Requirement”

SECTION 1.2 General Rules of Construction

For all purposes of this First Supplemental Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) Defined terms in the singular shall include the plural as well as the singular, and vice versa.

(b) The definitions in the recitals to this instrument are for convenience only and shall not affect the construction of this instrument.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to “generally accepted accounting principles” refer to such principles as they exist at the date of application thereof.

(d) All references in this instrument to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(e) The terms “herein”, “hereof” and “hereunder” and other words of similar import refer to this Supplemental Indenture as a whole and not to any particular Article, Section or other subdivision.

(f) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(g) The term “person” shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or any agency or political subdivision thereof.

(h) The term “including” means “including without limitation” and “including, but not limited to”.

SECTION 1.3 Ownership of Warrants; Effect of Action by Warrantholders

(a) The ownership of Warrants shall be proved by the Warrant Register.

(b) Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Warrant shall bind every future Holder of the same Warrant and the Holder of every Warrant issued upon the transfer thereof or in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in reliance thereon, whether or not notation of such action is made upon such Warrant.

SECTION 1.4 Effect of Headings and Table of Contents

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 1.5 Date of Supplemental Indenture

The date of this First Supplemental Indenture is intended as and for a date for the convenient identification of this First Supplemental Indenture and is not intended to indicate that this First Supplemental Indenture was executed and delivered on said date.

SECTION 1.6 Separability Clause

If any provision in this First Supplemental Indenture shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

SECTION 1.7 Governing Law

This First Supplemental Indenture shall be construed in accordance with and governed by the laws of the State of Alabama.

SECTION 1.8 Counterparts

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 1.9 Designation of Time of Performance

Except as otherwise expressly provided herein, any reference in this First Supplemental Indenture to the time of day shall mean the time of day in the city where the Trustee maintains its place of business for the performance of its obligations under this First Supplemental Indenture.

ARTICLE 2

AMENDMENTS TO ORIGINAL INDENTURE

SECTION 2.1 Amendments.

The Original Indenture shall be amended as follows:

(a) The last paragraph of Section 3.1 of the Original Indenture shall be amended and restated in its entirety to read as follows:

PROVIDED, HOWEVER, that (a) money and investments in the Indenture Funds may be applied for the purposes and on the terms and conditions set forth in this Indenture, (b) the security interest in the Warrant-Financed Facilities shall be subject to the Permitted Encumbrances, (c) the mortgage herein granted on that portion of the Trust Estate constituting the Warrant-Financed Facilities shall not be subject to foreclosure and shall not be construed so as to compel the sale of the Warrant-Financed Facilities or any part thereof in satisfaction of Warrants issued hereunder and secured hereby, and (d) as and when required under Section 16.16 hereof, the Trustee shall assign its security interest in the Warrant-Financed Facilities, the Lease Payments and the Lease Agreement under this Section 3.1 to the Bond Insurer.

(b) Section 6.6(d) of the Original Indenture shall be amended and restated in its entirety to read as follows:

(d) After an Authorized County Representative certifies to the Trustee that remaining proceeds of the Series 2006 Warrants are not needed to pay Acquisition Costs or Costs of Issuance, the balance remaining in the Acquisition Fund shall be deposited by the Trustee in the Debt Service Fund and applied to the payment of Debt Service on the applicable Warrant Payment Dates in the amounts set forth in the Indenture Payment Schedule.

(c) Section 7.2(a)(6) of the Original Indenture shall be amended and restated in its entirety to read as follows:

(6) **Consent of Insurer.** A consent of the Insurer with respect to the Series 2006 Warrants.

(d) Section 8.1 of the Original Indenture shall be amended and restated in its entirety to read as follows:

SECTION 8.1 Debt Service Fund

(a) There is hereby established a special trust fund which shall be designated the "Debt Service Fund." The Trustee shall be the depository, custodian and disbursing agent for the Debt Service Fund.

(b) On each Warrant Payment Date, money in the Debt Service Fund shall be applied by the Trustee to pay Debt Service on the Warrants in accordance with the Indenture Payment Schedule.

(c) The County is required by Section 4.2 of the Lease Agreement to make Rental Payments to the Trustee for each Warrant Payment Date occurring on or before April 1, 2026. Promptly upon receipt from the County, the Trustee shall deposit the Debt Service Component of each Rental Payment in the Debt Service Fund and shall deposit the Reserve Fund Replenishment Component of each Rental Payment in the Reserve Fund.

(e) Section 8.2 of the Original Indenture shall be amended and restated in its entirety to read as follows:

SECTION 8.2 Reserve Fund

(a) There is hereby established a special trust fund which shall be designated the "Reserve Fund." The Trustee shall be the depository, custodian and disbursing agent for the Reserve Fund.

(b) Deposits to the Reserve Fund shall be made on the following dates:

(1) On the date of issuance of the Series 2006 Warrants, a deposit shall be made to the Reserve Fund in an amount equal to the lesser of (A) the maximum annual Debt Service payable on the Warrants during the first full Fiscal Year, (B) 125% of average annual Debt Service, or (C) 10% of the par amount of Warrants sold.

(2) On each Warrant Payment Date occurring on April 1, 2017, through October 1, 2024, the Trustee shall deposit the Reserve Fund Replenishment Component of each Rental Payment in the Reserve Fund.

(c) Money in the Reserve Fund, including investment earnings, shall be transferred to the Debt Service Fund, in the respective amounts and on the respective Warrant Payment Dates set forth in the Indenture Payment Schedule for such withdrawals, and applied by the Trustee to pay Debt Service on the Warrants, but only if and to the extent that funds available in the Debt Service Fund are not sufficient for such purpose and payment from the Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(f) Article 8 of the Original Indenture shall be amended by adding Section 8.4 as follows:

SECTION 8.4 Trustee Expense Reserve Fund

(a) There is hereby established a special trust fund which shall be designated the "Trustee Expense Reserve Fund." The Trustee shall be the depository, custodian and disbursing agent for the Trustee Expense Reserve Fund.

(b) On the effective date of this First Supplemental Indenture, the Trustee shall transfer an aggregate amount of \$540,400 (together with investment earnings thereon, the "Expense Reserve") from the Reserve Fund to the Trustee Expense Reserve Fund. No amounts other than the Expense Reserve shall be deposited into the Trustee Expense Reserve Fund, and sums deducted from the Expense Reserve shall not be subject to replenishment.

(c) The Trustee is authorized and directed to apply the Expense Reserve from time to time to the payment of its due and owing reasonable fees and expenses in accordance with Section 12.7 of the Indenture. Any balance remaining in the Trustee Expense Reserve Fund after all such reasonable fees and expenses have been paid shall be transferred by the Trustee to the Reserve Fund and applied in accordance with Section 8.2.

(g) Section 12.7 of the Original Indenture shall be amended and restated in its entirety to read as follows:

SECTION 12.7 Compensation and Reimbursement

(a) The Authority agrees to pay the Trustee, exclusively from the Expense Reserve and other available moneys in the Trust Estate, the following:

(1) reasonable compensation for all services rendered by the Trustee hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust fund); and

(2) reimbursement for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or bad faith.

(b) As security for the performance of the obligations of the Authority under this Section the Trustee shall be secured under this Indenture by a lien prior to the Warrants, and for the payment of such reasonable compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any money held by it as part of the Trust Estate; provided, however, that the Trustee shall apply the Expense Reserve to the payment of its reasonable fees and expenses under this Section 12.7 prior to using any other available money held by it as part of the Trust Estate to the payment of any such fees or expenses.

(h) Section 15.4 of the Original Indenture shall be amended and restated in its entirety to read as follows:

SECTION 15.4 Remedies Under Lease Agreement

(a) At any time before the Trustee's receipt of the County's Rental Payment in respect of Debt Service due April 1, 2026, 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. Any moneys collected by the Trustee pursuant to the exercise of any remedies under the Lease Agreement shall be applied as provided in Article 11.

(b) At any time after the Trustee's receipt of the County's Rental Payment in respect of Debt Service due April 1, 2026, and provided no Insurer Default exists, the Bond Insurer 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. Any moneys collected by the Bond Insurer pursuant to the exercise of any remedies under the Lease Agreement shall be applied to the payment of Debt Service on all Series 2006 Warrants assigned to the Bond Insurer under Article 16.

(i) Section 16.1 of the Original Indenture shall be amended and restated in its entirety to read as follows:

SECTION 16.1 Beneficiary of the Financial Guaranty Insurance Policy

The Financial Guaranty Insurance Policy is held by the Trustee for the sole benefit of Holders of the Series 2006 Warrants. For the benefit of the Holders and to insure timely

scheduled payment of Debt Service on the Warrants, the Authority hereby grants the Trustee the right and power to carry out the provisions related to claims under the Policy, including, but not limited to, assigning the rights of Holders to Ambac Assurance in connection with a payment under the Policy. In addition to those rights granted to the Trustee under this Indenture, and anything herein to the contrary notwithstanding, the Authority acknowledges and agrees and each Holder is deemed to have acknowledged and agreed, that without the need for any further action on the part of any Holder, the Trustee shall have the right to (i) execute any assignment required by Ambac in connection with any payments by Ambac under the Policy, and (ii) accept any amendments to or replacement of the Policy necessary to insure the timely payment of Debt Service on the Warrants.

(j) Section 16.2 of the Original Indenture shall be amended and restated in its entirety to read as follows:

SECTION 16.2 Claims Under the Financial Guaranty Insurance Policy

As long as the Policy shall be in full force and effect, the Authority and the Trustee agree to comply with the following provisions:

(a) At least one (1) Business Day prior to each Interest Payment Date, the Trustee will determine whether there will be sufficient funds in the funds and accounts under this Indenture to pay the principal of or interest on the Series 2006 Warrants on such Interest Payment Date. If the Trustee determines that there will be insufficient funds in such funds or accounts, or if such Interest Payment Date is a date on which a payment is due from Ambac Assurance under the Indenture Payment Schedule, the Trustee shall so notify Ambac Assurance in writing. Such notice shall specify either the amount of the payment due from Ambac Assurance under the Indenture Payment Schedule or the amount of the anticipated deficiency, the Series 2006 Warrants to which such deficiency is applicable and whether such Series 2006 Warrants will be deficient as to principal or interest, or both. If the Trustee has so notified Ambac Assurance at least one (1) Business Day prior to an Interest Payment Date, Ambac Assurance will make payment to the Trustee of the Debt Service amount due on the Series 2006 Warrants on or before the Interest Payment Date. If the Trustee has not so notified Ambac Assurance at least one (1) Business Day prior to an Interest Payment Date, Ambac Assurance will make payment to the Trustee of the Debt Service amount due on the Series 2006 Warrants on or before the first (1st) Business day next following the date on which Ambac Assurance shall have received the notice from the Trustee.

(b) The Trustee shall, after giving notice to Ambac Assurance as provided in (a) above, make available to Ambac Assurance the registration books of the Authority maintained by the Trustee and all records relating to the funds and accounts maintained under this Indenture.

(c) The Trustee shall establish an account for the benefit of Holders and Ambac Assurance referred to herein as the "Warrant Insurance Payment Account". The Trustee shall deposit upon receipt any amount paid under the Policy in the Warrant Insurance Payment Account and distribute such amount solely for purposes of payment to the Holders for which a claim was made. For the sake of clarity, amounts paid under the Policy may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Amounts held in the Warrant Insurance Payment Account shall not be invested and any amounts remaining in the Warrant Insurance Payment Account on the first Business Day following a principal or Interest Payment Date shall be returned to Ambac Assurance by the end of such Business Day.

(d) The amount of any payment of principal of or interest on the Series 2006 Warrants from the Warrant Insurance Payment Account shall be recorded by the Trustee. Ambac Assurance shall have the right to inspect such records upon one (1) Business Day's prior written notice to the Trustee.

(e) In the event that the Trustee has notice that any payment of principal of or interest on an Series 2006 Warrant which has become due for payment and which is made to a Holder by or on behalf of the Authority has been deemed a preferential transfer and theretofore recovered from its registered owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with the final, non-appealable order of a court having competent jurisdiction, the Trustee shall, at the time Ambac Assurance is notified pursuant to (a) above, notify all registered owners that in the event that any registered owner's payment is so recovered, such registered owner will be entitled to payment from Ambac Assurance to the extent of such recovery if sufficient funds are not otherwise available, and the Trustee shall furnish to Ambac Assurance its records evidencing the payment of principal of and interest on the Series 2006 Warrants which have been made by the Trustee and subsequently recovered from registered owners and the dates on which such payments were made.

(f) In addition to those rights granted Ambac Assurance under this Indenture, and anything herein to the contrary notwithstanding, the Authority, the Trustee and each Holder acknowledge and agree, that without the need for any further action on the part of Ambac Assurance, Ambac Assurance shall, to the extent it makes payment of principal of or interest on Series 2006 Warrants, become subrogated to all rights of the Holders of such Series 2006 Warrants, including all rights to payment. To evidence such subrogation, the Trustee shall note Ambac Assurance's rights as subrogee on the registration books of the Authority maintained by the Trustee upon payment of amounts from the Warrant Insurance Payment Account to the Holders of the Series 2006 Warrants. The Trustee shall simultaneously assign in writing to Ambac Assurance, to the fullest extent permitted by law and in a form acceptable to Ambac Assurance, all rights of the Holders of such Series 2006 Warrants, including all rights to payment.

(k) Article 16 of the Original Indenture shall be amended by adding Section 16.16 as follows:

SECTION 16.16 Pledge and Assignment to Bond Insurer

To secure the subrogation rights of the Bond Insurer and the payment of Debt Service on all Series 2006 Warrants assigned to the Bond Insurer under this Article 16, the Authority and the Trustee hereby grant, bargain, sell, pledge and assign to the Bond Insurer, and grant to the Bond Insurer a security interest in the following property, effective upon the Trustee's receipt of the County's Rental Payment for Debt Service due April 1, 2026:

(a) **Warrant-Financed Facilities.** The Warrant-Financed Facilities described in Section 3.1(b) of the Indenture.

(b) **Lease Payments and Lease Agreement.** All Rental Payments by the County and all right, title and interest of the Authority in and to the Lease Agreement; provided that:

(1) The Authority shall retain the right to receive notices and other communications to be sent to it under the Lease Agreement.

(2) Nothing contained in this Indenture shall impair, diminish or otherwise affect the Authority's obligations under the Lease Agreement or impose any of such obligations on the Bond Insurer.

PROVIDED, HOWEVER, that (a) the foregoing pledge and assignment by the Authority and the Trustee to the Bond Insurer shall be made only if and when (i) all Debt Service on Series 2006 Warrants owned or held by Warranholders other than the Bond Insurer has been paid in full, and (ii) all reasonable fees, charges and disbursements of the Trustee for services performed and disbursements made under this Indenture have been paid in full, (b) in the event an Insurer Default exists as of such date, the foregoing pledge and assignment by the Authority and the Trustee to the Bond Insurer shall not occur until such Insurer Default is cured and no Insurer Defaults are outstanding, (c) the security interest in the Warrant-Financed Facilities shall be subject to the Permitted Encumbrances, and (d) the mortgage herein granted on that portion of the Trust Estate constituting the Warrant-Financed Facilities shall not be subject to foreclosure and shall not be construed so as to compel the sale of the Warrant-Financed Facilities or any part thereof in satisfaction of any obligations secured hereby.

ARTICLE 3

MISCELLANEOUS

SECTION 3.1 Confirmation of Indenture

All the terms, covenants and conditions of the Original Indenture, as amended and supplemented by this First Supplemental Indenture, are in all respects ratified and confirmed, and the Original Indenture and this Supplemental Indenture shall be read, taken and construed as one and the same instrument.

IN WITNESS WHEREOF, the Authority and the Trustee have caused this instrument to be duly executed and their respective corporate seals to be hereunto affixed and attested.

**THE JEFFERSON COUNTY PUBLIC
BUILDING AUTHORITY**

Don W. Holmes
By: *Don W. Holmes*
Title: *President*

[SEAL]

Attest:

By: *Katrina W. Whitely*
Its: *Secretary*

FIRST COMMERCIAL BANK

Dean Mathews
By: *DEAN MATHEWS*
Title: *SENIOR VICE PRESIDENT*

[SEAL]

Attest:

By: *Janice Vaap*
Its: *AVP*

STATE OF ALABAMA
JEFFERSON COUNTY

I, Elizabeth D. Beck, a Notary Public in and for said County in said State, hereby certify that Don W. Holmes, whose name as President of The Jefferson County Public Building Authority, an Alabama public corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 8 day of JANUARY 2013

Elizabeth D. Beck
Notary Public

NOTARIAL SEAL

My commission expires: 10-3-2014

STATE OF ALABAMA
JEFFERSON COUNTY

I, JANICE D. VAGNER, a Notary Public in and for said County in said State, hereby certify that DEAN MATTHEWS, whose name as an authorized representative of First Commercial Bank, an Alabama banking corporation, is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 2ND day of JAN., 2013.

Janice D. Vagner
Notary Public

NOTARIAL SEAL

NOTARY PUBLIC STATE OF ALABAMA AT LARGE
MY COMMISSION EXPIRES: Oct 17, 2015
My commission expires: BONDED THRU NOTARY PUBLIC UNDERWRITERS

EXHIBIT 8.1

INDENTURE PAYMENT SCHEDULE

Warrant Payment Date	Debt Service Amount	County Rental Payment		Acquisition Fund Draw	Reserve Fund Draw	Bond Insurer Policy Payment
		Debt Service Component	Reserve Fund Replenishment Component			
04/01/2013	\$6,333,047	\$1,250,000		\$3,945,196	\$1,137,851	
10/01/2013	\$1,869,172	\$1,250,000		\$619,172		
04/01/2014	\$6,459,172	\$2,000,000		\$4,459,172		
10/01/2014	\$1,754,422	\$2,000,000				
04/01/2015	\$6,594,422	\$2,500,000		\$3,848,844	\$245,578	
10/01/2015	\$1,633,422	\$2,434,046				
04/01/2016	\$6,738,422	\$2,434,046		\$2,460,320	\$800,624	\$1,043,432
10/01/2016	\$1,505,797	\$2,434,046				
04/01/2017	\$6,885,797	\$2,434,046	\$152,128		\$928,249	\$3,371,374
10/01/2017	\$1,367,934	\$2,434,046	\$152,128			
04/01/2018	\$7,047,934	\$2,434,046	\$152,128		\$1,218,239	\$3,243,521
10/01/2018	\$1,222,384	\$2,434,046	\$152,128			
04/01/2019	\$7,222,384	\$2,434,046	\$152,128		\$1,363,789	\$3,272,421
10/01/2019	\$1,068,634	\$2,434,046	\$152,128			
04/01/2020	\$7,403,634	\$2,434,046	\$152,128		\$1,517,539	\$3,299,921
10/01/2020	\$906,300	\$2,434,046	\$152,128			
04/01/2021	\$7,586,300	\$2,434,046	\$152,128		\$1,679,874	\$3,320,252
10/01/2021	\$735,125	\$2,434,046	\$152,128			
04/01/2022	\$735,125	\$2,434,046	\$152,128			
10/01/2022	\$735,125	\$2,434,046	\$152,128			
04/01/2023	\$735,125	\$2,434,046	\$152,128			
10/01/2023	\$735,125	\$2,434,046	\$152,128			

Warrant Payment Date	Debt Service Amount	County Rental Payment		Acquisition Fund Draw	Reserve Fund Draw	Bond Insurer Policy Payment
		Debt Service Component	Reserve Fund Replenishment Component			
04/01/2024	\$735,125	\$2,434,046	\$152,128			
10/01/2024	\$735,125	\$2,434,046	\$152,128			
04/01/2025	\$15,080,125	\$2,434,046			\$12,646,079	
10/01/2025	\$376,500	\$2,434,046				
04/01/2026	\$15,436,500	\$2,434,046			\$2,368,808	\$10,633,646
10/01/2026		\$2,299,165				
04/01/2027		\$2,299,165				
10/01/2027		\$2,299,165				
04/01/2028		\$2,299,165				
10/01/2028		\$2,299,165				
04/01/2029		\$2,299,165				
10/01/2029		\$2,299,165				
04/01/2030		\$2,299,165				
10/01/2030		\$2,299,165				
04/01/2031		\$2,299,165				
10/01/2031		\$2,299,165				
04/01/2032		\$2,299,165				
10/01/2032		\$2,299,165				
04/01/2033		\$2,299,165				
10/01/2033		\$2,299,165				
04/01/2034		\$2,299,165				
10/01/2034		\$2,299,165				
04/01/2035		\$2,299,165				
10/01/2035		\$2,299,165				
04/01/2036		\$2,299,165				

Warrant Payment Date	Debt Service Amount	County Rental Payment		Acquisition Fund Draw	Reserve Fund Draw	Bond Insurer Policy Payment
		Debt Service Component	Reserve Fund Replenishment Component			
10/01/2036		\$2,299,165				
04/01/2037		\$2,299,165				

20130109000025590 16/16
 Bk: LR201360 Pg: 4446
 Jefferson County, Alabama
 01/09/2013 01:43:57 PM AGREE
 Fee - \$61.00

Total of Fees and Taxes-\$61.00
 KWBESS

ATTACHMENT 2

27

95.00



20130109000025570 1/27
Bk: LR201360 Pg:4419
Jefferson County, Alabama
I certify this instrument filed on
01/09/2013 01:43:56 PM LEASE
Judge of Probate- Alan L. King

LEASE AGREEMENT

Dated as of January 1, 2013

Between

THE JEFFERSON COUNTY PUBLIC BUILDING AUTHORITY

and

JEFFERSON COUNTY

**Relating to the issuance of
\$86,745,000**

Lease Revenue Warrants, Series 2006

by

The Jefferson County Public Building Authority

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated and effective as of January 1, 2013 (the "Lease Agreement"), is entered into by and between **THE JEFFERSON COUNTY PUBLIC BUILDING AUTHORITY**, an Alabama public corporation (the "Authority"), and **JEFFERSON COUNTY**, a political subdivision of the State of Alabama (the "County").

RECITALS

The Authority and the County entered into a Lease Agreement dated August 1, 2006 (the "Original Lease Agreement"), in connection with the issuance by the Authority of its \$86,745,000 in aggregate principal amount of Lease Revenue Warrants, Series 2006 (the "Series 2006 Warrants"). The Series 2006 Warrants were issued pursuant to a Trust Indenture, dated August 1, 2006 (the "Original Trust Indenture"), between the Authority and First Commercial Bank, an Alabama banking corporation, as trustee (the "Trustee").

This Lease Agreement is being executed and delivered by the Authority and the County to implement that certain Stipulation and Agreement Regarding the Settlement and Resolution of Certain Disputes entered into by and among the County, the Authority, the Trustee, and Ambac Assurance Corporation, a Wisconsin stock insurance corporation (the "Bond Insurer"). The Original Lease Agreement has been rejected and terminated and this Lease Agreement is substituted for the Original Lease Agreement for all purposes from and after the execution and delivery hereof.

Simultaneously with the execution and delivery of this Lease Agreement, the Authority and the Trustee have executed and delivered a First Supplemental Trust Indenture dated as of January 1, 2013 (the "First Supplemental Indenture"). The Original Trust Indenture, as supplemented and amended by the First Supplemental Indenture, is herein referred to as the "Indenture".

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

ARTICLE 1

Definitions and Other Provisions of General Application

SECTION 1.1 Definitions

For all purposes of this Lease Agreement, except as otherwise expressly provided or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture.

SECTION 1.2 General Rules of Construction

For all purposes of this Lease Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) Defined terms in the singular shall include the plural as well as the singular, and vice versa.
- (b) The definitions in the recitals to this instrument are for convenience only and shall not affect the construction of this instrument.

(c) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles. All references herein to "generally accepted accounting principles" refer to such principles as they exist at the date of application thereof.

(d) All references in this instrument to designated "Articles", "Sections" and other subdivisions are to the designated Articles, Sections and subdivisions of this instrument as originally executed.

(e) The terms "herein", "hereof" and "hereunder" and other words of similar import refer to this Lease Agreement as a whole and not to any particular Article, Section or other subdivision.

(f) All references in this instrument to a separate instrument are to such separate instrument as the same may be amended or supplemented from time to time pursuant to the applicable provisions thereof.

(g) The term "person" shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust, unincorporated organization and any government or any agency or political subdivision thereof.

SECTION 1.3 Effect of Headings and Table of Contents

The Article and Section headings herein and in the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.4 Date of Lease Agreement

The date of this Lease Agreement is intended as and for a date for the convenient identification of this Lease Agreement and is not intended to indicate that this Lease Agreement was executed and delivered on said date.

SECTION 1.5 Separability Clause

If any provision in this Lease Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby.

SECTION 1.6 Governing Law

This Lease Agreement shall be construed in accordance with and governed by the laws of the State of Alabama.

SECTION 1.7 Counterparts

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

SECTION 1.8 Entire Agreement

This Lease Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, including, without limitation, commitments or understandings with respect to such matters.

ARTICLE 2

Demising Clause

For and in consideration of the performance and observance of the agreements and covenants of this Lease Agreement to be performed and observed by the County, the Authority does hereby lease and demise to the County, and the County does hereby lease, take and hire from the Authority the following properties constituting the Warrant-Financed Facilities subject to this Lease Agreement:

I.

Real Property

The real property and interests therein described on Exhibit A attached hereto, together with all easements, permits, licenses, rights-of-way, contracts, leases, tenements, hereditaments, appurtenances, rights, privileges and immunities pertaining or applicable to said real property and interests therein.

II.

Buildings and Structures

All buildings and structures now or hereafter located on such real property, including without limitation the buildings and structures to be constructed (as described on Exhibit A), altered or improved as part of the Warrant-Financed Facilities financed by the Series 2006 Warrants.

III.

Personal Property and Fixtures

The following personal property and fixtures: (i) all personal property and fixtures (if any) to be acquired and installed on such real property as part of the Warrant-Financed Facilities which are financed by the Series 2006 Warrants, including without limitation, the personal property and fixtures described on Exhibit A to this Lease Agreement, (ii) all personal property and fixtures acquired by (or in the name of) the Authority and installed on such real property as a substitute or replacement for personal property or fixtures transferred or otherwise disposed of pursuant to the terms of this Lease Agreement, and (iii) all personal property and fixtures acquired by (or in the name of) the Authority and installed on such real property with the proceeds of any insurance or condemnation award pursuant to the terms of this Lease Agreement.

SUBJECT, HOWEVER, to Permitted Encumbrances, which are described on Exhibit B to this Lease Agreement.

ARTICLE 3

Acquisition and Completion of the Warrant-Financed Facilities

SECTION 3.1 Acquisition of the Warrant-Financed Facilities

(a) The real property included in the Warrant-Financed Facilities was acquired by the Authority in accordance with the instructions of the County and is described on Exhibit A to this Lease Agreement.

(b) The Authority used a portion of the proceeds of the Series 2006 Warrants to construct buildings and structures on such real property in accordance with the instructions of the County. The buildings and structures constructed as part of the Warrant-Financed Facilities are described on Exhibit A to this Lease Agreement.

(c) The Authority used a portion of the proceeds of the Series 2006 Warrants to acquire and install certain personal property and fixtures on such real property in accordance with the instructions of the County. The personal property and fixtures acquired and installed as part of the Warrant-Financed Facilities are described on Exhibit A to this Lease Agreement.

(d) The acquisition and construction of the Warrant-Financed Facilities was completed in accordance with all applicable zoning, planning and building restrictions, and the County has obtained all necessary governmental permits, licenses, certificates, authorizations and approvals necessary therefor and for the operation of the Warrant-Financed Facilities.

SECTION 3.2 Completion Certificate Relating to the Warrant-Financed Facilities

(a) The completion of the Warrant-Financed Facilities is evidenced by a certificate signed by an Authorized County Representative stating that:

(1) the acquisition and construction of the Warrant-Financed Facilities has been completed in accordance with the plans and specifications therefor; and

(2) all amounts due for labor, materials, supplies and other costs incurred in connection with the acquisition and construction of the Warrant-Financed Facilities have been paid.

(b) The aforesaid certificate has been delivered to the Trustee, and the money remaining in the Acquisition Fund shall be applied as provided in the First Supplemental Indenture.

ARTICLE 4

Lease Term and Rental Payments

SECTION 4.1 Lease Term; Termination Privilege

(a) The initial term of this Lease Agreement shall begin on January 1, 2013, and, subject to the terms of subsection (b) of this Section, shall continue until midnight of September 30, 2013.

(b) The County shall have the option to renew this Lease Agreement and the lease herein made for a term of twelve (12) months beginning on October 1, 2013 and continuing until and including

September 30, 2014, and shall have the further option from year to year thereafter to renew such lease for successive terms of twelve months each, each such renewal term to coincide with the fiscal year of the County; provided, however, that if such lease is not renewed for any renewal term provided for herein, no renewal may thereafter be made for any subsequent renewal term.

(c) The option to renew this Lease Agreement shall be deemed to have been exercised upon the occurrence of either of the following events:

(1) if the County continues to occupy the Warrant-Financed Facilities on the first day of such renewal term; or

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

(d) Under no circumstances shall the commitment under this Lease Agreement constitute a debt of the County or the State of Alabama as prohibited by Section 213 of the Constitution of Alabama 1901, as amended.

(e) If the County delivers a timely notice of non-renewal to the Authority and the Bond Insurer on or before thirty (30) days prior to such renewal term, then, notwithstanding any provision of Section 4.1 to the contrary, the County may, by written notice to the Authority and the Bond Insurer delivered on or before August 30 of such year, elect to occupy the Warrant-Financed Facilities as a holdover tenant for a period of up to twelve (12) months commencing on October 1 of such year (the "Holdover Tenancy"), provided that Rental Payments during the Holdover Tenancy shall be paid monthly and prorated based on the Rental Payments that otherwise would have come due during such period under this Lease Agreement. In the event of such election for a Holdover Tenancy, the term of this Lease Agreement shall not be automatically extended through September 30 of the following year notwithstanding the County's continued occupancy of the Warrant-Financed Facilities on October 1 of the year such notice of non-renewal is delivered.

SECTION 4.2 Rental Payments

(a) Subject to the prepayment options set forth in Section 4.3 hereof, and subject to the annual renewal of this Lease Agreement by the County as provided in Section 4.1(b) and (c) hereof, the County shall make semiannual rental payments ("Rental Payments") in the respective amounts due from the County as set forth in the schedule attached hereto as Exhibit C (the "Lease Payment Schedule"). Each Rental Payment shall be paid by the County, in immediately available funds, on or before the third Business Day prior to the respective "Lease Payment Dates" set forth in the Lease Payment Schedule.

(b) Rental Payments that relate to Lease Payment Dates which occur on or before April 1, 2026, shall be paid by the County to the Trustee for the account of the Authority. If the Series 2006 Warrants have been Fully Paid, then Rental Payments that relate to Lease Payment Dates which occur on or after October 1, 2026, shall be paid by the County to the Bond Insurer for its own account as reimbursement for all payments made by the Bond Insurer as shown on Exhibit C ("Bond Insurer Policy Payments").

SECTION 4.3 Prepayment Options

(a) The County shall have the option to pay to the Trustee, for the account of the Authority, any unpaid Bond Insurer Policy Payments set forth in the Lease Payment Schedule. The foregoing option

is exercisable, in full or in part in amounts of \$500,000 or more, on or before the tenth (10th) Business Day prior to the next Lease Payment Date on which a Bond Insurer Policy Payment otherwise would come due from the Bond Insurer. Concurrently with each such payment by the County hereunder, the County shall deliver to the Trustee and the Bond Insurer a proposed revision to the Lease Payment Schedule that reflects (i) a reduction in the amount of future Bond Insurer Policy Payment(s) next coming due (which Bond Insurer Policy Payments may include, for the avoidance of doubt, the Bond Insurer Policy Payment due on the Lease Payment Date immediately following the date of the County's payment), on a first dollar basis, equal to the amount paid by the County under this Section 4.3(a), and (ii) a reduction in the amount of future Rental Payments coming due on and after October 1, 2026, on a first dollar basis, equal to the amount paid by the County under this Section 4.3(a) plus the interest (at an annual rate of 5.75%, compounded semiannually) that would have accrued on such amount had the Bond Insurer Policy Payment(s) been paid by the Bond Insurer.

If the County's proposed revision to the Lease Payment Schedule is acceptable to the Trustee and the Bond Insurer, then the Trustee and the Bond Insurer shall deliver a joint written notice of acceptance to the County, whereupon the Lease Payment Schedule in Exhibit C shall be replaced by the accepted revised Lease Payment Schedule. Notwithstanding anything herein to the contrary, no notice to or consent from the Warrantholders is required in connection with any such revision to the Lease Payment Schedule. If the Trustee or the Bond Insurer disputes the calculation of future Bond Insurer Policy Payments or future Rental Payments under the County's proposed revision to the Lease Payment Schedule, then the disputing party shall deliver written notice thereof to the County and the Trustee or the Bond Insurer, as applicable, and thereafter the parties shall cooperate in good faith to resolve the dispute. Promptly after such dispute is resolved by agreement of the parties or, if such dispute could not be resolved after good faith negotiations, by order of a court of competent jurisdiction, the County shall prepare and deliver to the Trustee and the Bond Insurer a final revised Lease Payment Schedule which conforms to such agreement or court order, whereupon the Lease Payment Schedule in Exhibit C shall be replaced by the final revised Lease Payment Schedule (which final Revised Lease Payment Schedule shall remain subject to further revision in the event of additional prepayments by the County under this Section 4.3).

(b) At any time prior to October 1, 2026, the County shall have the option to reimburse the Bond Insurer for any Bond Insurer Policy Payments it has paid. The foregoing option is exercisable, in full or in part in amounts of \$500,000 or more, by paying the Bond Insurer the amount of such Bond Insurer Policy Payments plus interest accrued thereon at an annual rate of 5.75% from the applicable Lease Payment Date through the date of such reimbursement payment. Concurrently with each such reimbursement payment by the County hereunder, the County shall deliver to the Bond Insurer a proposed revision to the Lease Payment Schedule that reflects a reduction in the amount of future Rental Payments coming due on and after October 1, 2026, on a first dollar basis, equal to the amount paid by the County under this Section 4.3(b) plus the interest (at an annual rate of 5.75%, compounded semiannually) that would have accrued on such amount had the County not reimbursed the Bond Insurer for such Bond Insurer Policy Payment.

If the County's proposed revision to the Lease Payment Schedule is acceptable to the Bond Insurer, then the Bond Insurer shall deliver a written notice of acceptance to the County, whereupon the Lease Payment Schedule in Exhibit C shall be replaced by the accepted revised Lease Payment Schedule. If the Bond Insurer disputes the calculation of future Rental Payments under the County's proposed revision to the Lease Payment Schedule, then the Bond Insurer shall deliver written notice thereof to the County, and thereafter the parties shall cooperate in good faith to resolve the dispute. Promptly after such dispute is resolved by agreement of the County and the Bond Insurer or, if such dispute could not be resolved after good faith negotiations, by order of a court of competent jurisdiction, the County shall prepare and deliver to the Bond Insurer a final revised Lease Payment Schedule which

conforms to such agreement or court order, whereupon the Lease Payment Schedule in Exhibit C shall be replaced by the final revised Lease Payment Schedule (which final Revised Lease Payment Schedule shall remain subject to further revision in the event of additional prepayments by the County under this Section 4.3).

(c) At any time on or after October 1, 2026, the County shall have the option to prepay all remaining Rental Payments under this Lease Agreement. The foregoing option is exercisable, in full, by paying to the Bond Insurer, for its own account, an aggregate amount equal to the nominal sum of all future Rental Payments under this Lease Agreement discounted to present value as of the prepayment date using a discount rate of 5.75% per annum.

SECTION 4.4 Unconditional Obligation of the County

The County's obligation to make the Rental Payments required by this Lease Agreement and to perform and observe the other agreements and covenants on its part herein contained shall be absolute and unconditional, irrespective of any rights of set-off, recoupment or counterclaim it might otherwise have against the Authority or any other Financing Participant. Except as provided in this Article 4, the County will not suspend or discontinue any such Rental Payment or fail to perform and observe any of its other agreements and covenants contained herein or terminate this Lease Agreement for any cause whatsoever, including, without limiting the generality of the foregoing, (a) any acts or circumstances that may constitute an eviction or constructive eviction, (b) failure of consideration or commercial frustration of purpose, (c) the invalidity of any provision of this Lease Agreement, (d) any damage to or destruction of the Warrant-Financed Facilities or any part thereof, (e) the taking by eminent domain of title to, or the use of, all or any part of the Warrant-Financed Facilities, (f) any change in the laws or regulations of the United States of America, the State of Alabama or any other governmental authority, or (g) any failure of any of the Financing Participants to perform and observe any agreement or covenant, whether express or implied, to be performed or observed by them under any of the Warrant Documents.

ARTICLE 5

Concerning the Series 2006 Warrants, the Indenture and the Trustee

SECTION 5.1 Assignment of Lease Agreement and Rental Payments by Authority

(a) Simultaneously with the delivery of this Lease Agreement, the Authority shall, by its execution and delivery of the First Supplemental Indenture, confirm and ratify the assignment and pledge to the Trustee of all right, title and interest of the Authority in and to the Rental Payments and the Lease Agreement. The County hereby consents to such assignment and pledge.

(b) As and when set forth in Section 16.16 of the First Supplemental Indenture, the Trustee shall assign and pledge to the Bond Insurer all right, title and interest of the Trustee in and to the remaining Rental Payments and the Lease Agreement. The County and the Authority hereby consent to such assignment and pledge.

(c) Until all Indenture Indebtedness and Rental Payments have been Fully Paid, the Trustee or the Bond Insurer, as applicable, may exercise all rights and remedies herein accorded to the Authority, and any references herein to the Authority shall be deemed, with the necessary changes in detail, to include the Trustee or the Bond Insurer, as applicable; provided, however, that the Trustee will not exercise any of its remedies under this Lease Agreement without the prior written consent of the Bond Insurer (subject to the provisions of Sections 16.3 and 16.12(d) of the Indenture); provided, further, that

the Authority shall retain the rights to indemnification and reimbursement of expenses granted to it by this Lease Agreement.

SECTION 5.2 Redemption of Series 2006 Warrants

(a) The Authority will cause the Trustee to redeem any or all of the Series 2006 Warrants in accordance with the mandatory redemption provisions of the Series 2006 Warrants without any direction from or consent by the County.

(b) If no Lease Default exists, (i) any right of optional redemption with respect to the Series 2006 Warrants may be exercised only upon the written direction of the County, and (ii) the County may, on behalf of the Authority, direct the Trustee to effect an optional redemption of Series 2006 Warrants. The County shall deliver to the Authority a copy of any such direction. The Authority will cooperate with the County in good faith to effect any such optional redemption so directed.

SECTION 5.3 Additional Warrants

If no Lease Default exists and the County directs the Authority to issue Additional Warrants under the Indenture, the Authority will cooperate with the County in good faith in the preparation of documents in the adoption of proceedings required for the issuance of Additional Warrants and, upon compliance with the applicable provisions of the Indenture, the Authority shall issue such Additional Warrants for the purpose or purposes provided for in the Indenture.

SECTION 5.4 Amendment of Warrant Documents

The Authority will not cause or permit the amendment of the Warrant Documents without the prior written consent of the County and the Bond Insurer.

SECTION 5.5 The Indenture Funds

(a) If no Lease Default exists, the Authority shall cause any money held as part of an Indenture Fund to be invested or reinvested by the Trustee in accordance with the terms of the Indenture and the instructions of the County.

(b) The County shall be solely responsible for (i) determining that any such investment of Indenture Funds under the Indenture complies with the arbitrage limitations imposed by Section 148 of the Internal Revenue Code, and (ii) calculating the amount of, and making payment of, any rebate due to the United States under Section 148(f) of the Internal Revenue Code.

(c) As security for the performance by the County of the covenants hereunder, the County hereby assigns and pledges to the Authority, and grants to the Authority a security interest in, all right, title and interest of the County in and to all money and investments from time to time on deposit in, or forming a part of, the Indenture Funds, subject to the provisions of this Lease Agreement and the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein and in the Indenture. The County acknowledges that the rights of the Authority created by this Section shall be assigned by the Authority to the Trustee or the Bond Insurer, as applicable, pursuant to the Indenture.

SECTION 5.6 Effect of Full Payment of Indebtedness and Rental Payments

(a) After the Indenture Indebtedness and Rental Payments are Fully Paid, all references in this Lease Agreement to the Series 2006 Warrants, the Indenture, the Bond Insurer and the Trustee shall be ineffective and neither the Trustee, nor the Bond Insurer, nor the Holders of the Series 2006 Warrants shall thereafter have any rights hereunder, except those rights that shall have theretofore vested.

(b) After all Indenture Indebtedness and Rental Payments are Fully Paid, any money or investments remaining in the Indenture Funds shall be delivered to the County.

ARTICLE 6

The Warrant-Financed Facilities

SECTION 6.1 Possession and Use of Warrant-Financed Facilities

(a) So long as no Lease Default exists, the County shall be permitted to possess, use, manage, operate and enjoy the Warrant-Financed Facilities without hindrance on the part of the Authority, subject, however, to all the terms and conditions of this Lease Agreement. The County will use and occupy the Warrant-Financed Facilities only for designated purposes and for no other object or purpose without the prior written consent of the Authority.

(b) The Authority shall be permitted such possession of the Warrant-Financed Facilities as shall be necessary and convenient for it to construct and install the Warrant-Financed Facilities in accordance with the terms of this Lease Agreement.

SECTION 6.2 Maintenance and Other Operating Expenses

The County will, at its own expense, (a) maintain the Warrant-Financed Facilities in good condition, repair and working order, (b) make all necessary repairs, renewals, replacements and improvements to the Warrant-Financed Facilities and (c) pay all gas, electric, water, sewer and other charges for the operation, use and up keep of the Warrant-Financed Facilities.

SECTION 6.3 Improvements, Alterations, Etc.

The County may, at its own expense, make additions, improvements or alterations to the buildings and structures constituting a part of the Warrant-Financed Facilities. At the written request of the County, the Authority will enter into a contract for such additions, improvements, or alterations, subject, however, to the requirements of Section 10.1.

SECTION 6.4 Utility Easements

The Authority will, upon request of the County, grant utility and other similar easements over, across or under the real property constituting part of the Warrant-Financed Facilities.

SECTION 6.5 Transfer or Encumbrance Created by Authority

Without the prior written consent of the County, the Authority (a) will not sell, transfer or convey the Warrant-Financed Facilities or any part thereof, except as provided in this Lease Agreement, and (b) will not create or permit any mortgage, lien, charge or encumbrance on the Warrant-Financed Facilities or any part thereof other than Permitted Encumbrances.

SECTION 6.6 Assignment, etc. of Leasehold Interest

The County shall not assign its rights under this Lease Agreement or mortgage its leasehold interest in the Warrant-Financed Facilities, or sublease the Warrant-Financed Facilities or any part thereof, without the prior written consent of the Authority.

SECTION 6.7 Disposition and Substitution of Personal Property and Fixtures

(a) If no Lease Default exists, the County shall have the right, from time to time, in the name and on behalf of the Authority, without any release from or consent by the Authority or the Trustee, to sell or otherwise dispose of any item of the personal property or fixtures constituting part of the Warrant-Financed Facilities that may have become obsolete or unfit for use or no longer useful, necessary or profitable in the conduct of the business carried on by the County at the Warrant-Financed Facilities. The Authority shall not be required to replace such personal property and fixtures. The County may, if it so chooses, replace such personal property and fixtures at its own expense. At the request of the County, the Authority will enter into contracts and purchase orders for the acquisition of replacement items, provided that (i) the County shall pay all costs of such acquisition with its own funds and (ii) the Authority's liability under any such contract or purchase order is limited as provided in Section 10.1. Any replacement items so acquired by the Authority shall become a part of the personal property and fixtures subject to this Lease Agreement.

(b) The Authority will cooperate with the County in good faith in the exercise of the rights and privileges granted by this Section and shall, from time to time, execute a written instrument to confirm any action taken by the County under this Section, upon receipt by the Authority of (i) a certificate signed by an Authorized County Representative requesting the same and expressing any required opinions and (ii) an Opinion of Counsel that such action was duly taken by the County in conformity with such provisions and that execution of such written instrument is appropriate to confirm such action under this Section.

(c) No disposition effected pursuant to this Section shall result in any reduction or abatement of Rental Payments; provided, however, that if any such disposition will effectively result in the disposition of all remaining portions of the Warrant-Financed Facilities, then (i) prior to or simultaneously with such disposition provisions must be made for the payment of all Outstanding Series 2006 Warrants in accordance with the terms of Article 14 of the Indenture, and (ii) the County shall take all action necessary for the termination of this Lease Agreement as of the date of such disposition.

SECTION 6.8 The County's Personal Property and Fixtures

(a) The County may, at its own expense, install at the Warrant-Financed Facilities any personal property or fixtures which, in the County's judgment, are necessary or desirable for the conduct of the business carried on by the County at the Warrant-Financed Facilities. Any such personal property or fixtures which are installed at the County's expense and which do not constitute a part of the personal property and fixtures subject to this Lease Agreement shall be and remain the property of the County and may be removed by the County at any time while no Lease Default exists; provided, that any damage to the Warrant-Financed Facilities occasioned by such removal shall be repaired by the County at its own expense.

(b) If any personal property or fixtures described in this Section are leased by the County or the County shall have granted a security interest in such property in connection with the acquisition thereof by the County, then the lessor of such property or the party holding a security interest therein, as the case may be, may remove such property from the Warrant-Financed Facilities even though a Lease

Default shall then exist or this Lease Agreement shall have been terminated following a Lease Default hereunder; provided, that the foregoing permission to remove shall be subject to the agreement by such lessor or secured party to repair at its own expense any damage to the Warrant-Financed Facilities occasioned by such removal.

SECTION 6.9 Self-Insurance and Indemnification

The Authority acknowledges that the County is self-insured and will carry no casualty or liability insurance with respect to the Warrant-Financed Facilities. In lieu of obtaining insurance protecting the Authority against liability, the County hereby agrees, to the fullest extent permitted by law, to indemnify and hold the Authority, the Trustee and the Bond Insurer harmless against any and all claims, demands, causes of action, suits, and the expenses of defending the same, brought by or filed by any party as a result of injuries to persons or damage to property arising out of or in any way related to the use of the Warrant-Financed Facilities.

SECTION 6.10 Damage and Destruction

If the Warrant-Financed Facilities are damaged or destroyed by fire or other casualty, the Authority shall not be required to repair or replace the Warrant-Financed Facilities damaged or destroyed, and the County may, if it so chooses, repair or replace such Warrant-Financed Facilities at its own expense; provided, however, that so long as the Series 2006 Warrants are outstanding, the County will not enter into any alternative lease for office space or acquire or construct any substitute courthouse, jail facilities or E911 facilities on real property not included within the Warrant-Financed Facilities before repairing or replacing the damaged Facilities. At the request of the County, the Authority will enter into contracts or purchase orders for the repair or replacement of the Warrant-Financed Facilities, provided that (a) the County shall pay all costs of such repair or replacement with its own funds and (b) the Authority's liability under any such contract or purchase order shall be limited as provided in Section 10.1. Any property acquired by the Authority in connection with such repair or replacement shall become a part of the Warrant-Financed Facilities subject to this Lease Agreement.

ARTICLE 7

Representations and Covenants

SECTION 7.1 General Representations

The County makes the following representations and warranties as the basis for the undertakings on its part herein contained:

- (a) It has the power to consummate the transactions contemplated by the Warrant Documents to which it is a party.
- (b) By proper corporate action it has duly authorized the execution and delivery of the Warrant Documents to which it is a party and the consummation of the transactions contemplated therein.
- (c) It has obtained all consents, approvals, authorizations and orders of governmental authorities that are required to be obtained by it as a condition to the execution and delivery of the Warrant Documents to which it is a party.

(d) The execution and delivery by it of the Warrant Documents to which it is a party and the consummation by it of the transactions contemplated therein will not (i) conflict with, be in violation of, or constitute (upon notice or lapse of time or both) a default under any agreement, instrument, order or judgment to which it is a party or is subject, or (ii) result in or require the creation or imposition of any lien of any nature upon or with respect to any of its properties now owned or hereafter acquired, except as contemplated by the Warrant Documents.

(e) The Warrant Documents to which it is a party constitute legal, valid and binding obligations and are enforceable against it in accordance with the terms of such instruments, except as enforcement thereof may be limited by (i) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights and (ii) general principles of equity, including the exercise of judicial discretion in appropriate cases.

SECTION 7.2 Eligibility of Warrant-Financed Facilities for Financing

(a) The County makes the following representations and warranties regarding the eligibility of the Warrant-Financed Facilities for financing under the Enabling Law:

(1) The financing of the Warrant-Financed Facilities through the issuance of the Series 2006 Warrants and the leasing of the Warrant-Financed Facilities to the County have provided and will provide buildings for use by the County as a courthouse or jail or for offices and related facilities for officers and departments of the County and any agencies for which the County may lawfully furnish office facilities.

(2) The County intends to operate the Warrant-Financed Facilities for the purposes described in paragraph (1) above.

(3) The Warrant-Financed Facilities are located wholly within Jefferson County, Alabama.

SECTION 7.3 Covenant Regarding Occupancy

(a) The County hereby covenants that, so long as any Series 2006 Warrants are outstanding and Rental Payments remain to be paid, if any office or storage space in the Warrant-Financed Facilities shall become vacant after acquisition or construction thereof, then neither the County nor any officer, department or agency of the County shall thereafter enter into any lease or rental agreement for additional office or storage space or renew any existing lease or rental agreement for office or storage space in or about the municipality in which the Warrant-Financed Facilities are located until after all such vacant space in the Warrant-Financed Facilities shall have been filled.

(b) So long as the Series 2006 Warrants are outstanding and Rental Payments remain to be paid, the County will not relocate the County's Bessemer courthouse or jail to any facility not described in Exhibit A unless this Lease Agreement is expressly amended to provide that such alternative facility is made a part of the Warrant-Financed Facilities hereunder.

(c) The parties agree that the covenants contained in this Section 7.3 shall survive the termination of this Lease Agreement.

SECTION 7.4 Inspection of Records

The County will at any and all times, upon the written request of the Authority, the Trustee or the Bond Insurer, permit the Authority, the Trustee or the Bond Insurer by their representatives to inspect the Warrant-Financed Facilities and any books, records, reports and other papers of the County relating to the Warrant-Financed Facilities.

SECTION 7.5 Advances by Authority or Trustee

If the County shall fail to perform any of its covenants in this Lease Agreement, the Authority, the Trustee or the Bond Insurer may, at any time and from time to time, after written notice to the County if no Lease Default exists, make advances to effect performance of any such covenant on behalf of the County. Any money so advanced by the Authority, the Trustee or the Bond Insurer, together with interest at the Post-Default Rate, shall be repaid upon demand.

SECTION 7.6 Compliance with Tax Certificate and Agreement

The Authority and the County will comply with the covenants and agreements on their part contained in the Tax Certificate and Agreement.

SECTION 7.7 Compliance with Continuing Disclosure Agreement

The County will comply with the covenants and agreements on its part contained in the Continuing Disclosure Agreement.

ARTICLE 8

Lease Defaults and Remedies

SECTION 8.1 Lease Defaults

Any one or more of the following shall constitute an event of default (a "Lease Default") under this Lease Agreement (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(a) default in the payment of any Rental Payment when such Rental Payment becomes due and payable; or

(b) default in the performance, or breach, of any covenant or warranty of the County in this Lease Agreement (other than a covenant or warranty, a default in the performance or breach of which is elsewhere in this Section specifically dealt with), 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 and the Bond Insurer 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" hereunder.

The Continuing Disclosure Agreement contains the exclusive remedies for breach by the County of the covenants on its part contained in such agreement, and no such breach shall constitute a Lease Default or an event of default under any other Warrant Document. For the avoidance of doubt, an Indenture Default under Section 11.1(a) of the Indenture shall not give rise to a Lease Default unless the

County has defaulted in the payment of any Rental Payment when such Rental Payment became due and payable.

SECTION 8.2 Remedies on Default

If a Lease Default occurs and is continuing, the Authority may exercise any of the following remedies:

(a) declare all installments of Rental Payments for the remainder of the term of this Lease Agreement to be immediately due and payable in an amount not to exceed the principal amount of all Outstanding Series 2006 Warrants, plus the redemption premium (if any) payable with respect thereto, plus the interest accrued thereon to the date of such declaration;

(b) terminate this Lease Agreement and re-let the Warrant-Financed Facilities to any third party at the Authority's sole discretion;

(c) exclude the County from the Warrant-Financed Facilities without terminating this Lease Agreement; and

(d) take whatever legal proceedings may appear necessary or desirable to collect the Rental Payments then due, whether by declaration or otherwise, or to enforce any obligation or covenant or agreement of the County under this Lease Agreement or by law including specifically, without limitation, the covenants contained in Section 7.3 hereof.

SECTION 8.3 No Remedy Exclusive

No remedy herein conferred upon or reserved to the Authority, the Bond Insurer or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof but any such right or power may be exercised from time to time and as often as may be deemed expedient.

SECTION 8.4 No Additional Waiver Implied by One Waiver

In the event any agreement contained in this Lease Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

SECTION 8.5 Remedies Subject to Applicable Law

All rights, remedies and powers provided by this Article may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Lease Agreement invalid or unenforceable.

ARTICLE 9

Termination and Purchase Options

SECTION 9.1 Option to Terminate

If no Lease Default exists, the County shall have the option to cancel or terminate this Lease Agreement at any time after the Indenture Indebtedness and Rental Payments have been Fully Paid, by giving the Authority notice in writing of such termination. Such termination shall become effective 10 days after such notice is given.

SECTION 9.2 Option to Purchase Warrant-Financed Facilities

If no Lease Default exists, the County shall have the option to purchase the Warrant-Financed Facilities for a Purchase Price of \$1,000.00 after the Indenture Indebtedness and Rental Payments have been fully paid. Such option may be exercised by the County prior to the termination of this Lease Agreement upon written notice to the Authority and the Bond Insurer, and the payment of the Purchase Price to the Authority. The Authority shall transfer the Payment Price upon receipt to the Bond Insurer. Such option shall be deemed automatically exercised on the date of termination of this Lease Agreement unless the County notifies the Authority and the Bond Insurer in writing that it does not intend to exercise such option. The closing for such purchase shall take place on (a) a Business Day designated by the County that is not less than 7 days nor more than 21 days from the date of such notice, or the date of termination of this Lease Agreement, as the case may be, or (b) such other date as shall be mutually acceptable to the Authority and the County.

SECTION 9.3 Conveyance on Exercise of Option to Purchase

Upon the exercise of any option to purchase granted herein, the Authority will deliver to the County documents conveying to the County the property with respect to which such option was exercised, as such property then exists, subject to the following: (a) all easements or other rights, if any, required to be reserved by the Authority under the terms and provisions of the option being exercised by the County; (b) those liens and encumbrances, if any, to which title to said property was subject when conveyed to the Authority; (c) those liens and encumbrances created by the County or to the creation or suffering of which the County consented; and (d) those liens and encumbrances resulting from the failure of the County to perform or observe any of the agreements or covenants on its part contained in this Lease Agreement.

ARTICLE 10

Miscellaneous

SECTION 10.1 Authority's Liabilities Limited

(a) The covenants and agreements contained in this Lease Agreement and in any contract, purchase order or other agreement entered into pursuant to this Lease Agreement shall never constitute or give rise to a personal or pecuniary liability or charge against the general credit of the Authority, and in the event of a breach of any such covenant or agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general assets or revenues of the Authority shall arise therefrom. Nothing contained in this Section, however, shall relieve the Authority from the observance and performance of the covenants and agreements on its part contained herein.

(b) No recourse under or upon any covenant or agreement of this Lease Agreement or of any contract or other agreement entered into pursuant to this Lease Agreement shall be had against any past, present or future incorporator, officer or member of the governing body of the Authority, or of any successor corporation, either directly or through the Authority, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Lease Agreement is solely a corporate obligation, and that no personal liability whatever shall attach to, or is or shall be incurred by, any incorporator, officer or member of the governing body of the Authority or any successor corporation, or any of them, under or by reason of the covenants or agreements contained in this Lease Agreement.

(c) The liability of the Authority for the payment of any money due under any contract or purchase order entered into by it, or for any other costs incurred in connection with the acquisition, construction or improvement of, or other work on, the Warrant-Financed Facilities shall be limited solely to (i) the available proceeds of the Authority's revenue warrants, if and when issued for the Warrant-Financed Facilities, (ii) any money made available to the Authority for such purpose by the County, and (iii) any revenues or other receipts derived by the Authority from the Warrant-Financed Facilities, subject to prior encumbrances. The limited liability of the Authority shall be plainly and conspicuously stated on each such contract or purchase order.

SECTION 10.2 Corporate Existence and Power of Authority

The Authority will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence. The Authority shall not consolidate with or merge into any other corporation or transfer its property substantially as an entirety, except as provided in Section 10.6 of the Indenture. The Authority and the County will do all things necessary to preserve and keep in full force and effect the Authority's corporate power and authority to conduct official business and perform its legal obligations.

SECTION 10.3 Notices

(a) Any request, demand, authorization, direction, notice, consent, or other document provided or permitted by this Lease Agreement to be made upon, given or furnished to, or filed with, the Authority, the County, the Trustee or the Bond Insurer must (except as otherwise expressly provided in this Lease Agreement) be in writing and be delivered by one of the following methods: (1) by personal delivery at the hand delivery address specified pursuant to Section 17.1 of the Indenture, (2) by first-class, registered or certified mail, postage prepaid, addressed as specified pursuant to Section 17.1 of the Indenture, or (3) if facsimile transmission facilities for such party are identified in Section 17.1 of the Indenture or pursuant to a separate notice from such party, sent by facsimile transmission to the number specified in Section 17.1 of the Indenture or in such notice. Any of such parties may change the address for receiving any such notice or other document by giving notice of the change to the other parties named in this Section.

(b) Any such notice or other document shall be deemed delivered when actually received by the party to whom directed (or, if such party is not an individual, to an officer, partner or other legal representative of the party) at the address or number specified pursuant to this Section, or, if sent by mail, three (3) Business Days after such notice or document is deposited in the United States mail, addressed as provided above.

SECTION 10.4 Successors and Assigns

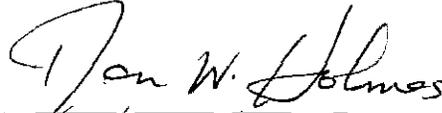
All covenants and agreements in this Lease Agreement by the Authority or the County shall bind their respective successors and assigns, whether so expressed or not.

SECTION 10.5 Benefits of Lease Agreement

Nothing in this Lease Agreement, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, the Trustee, the Holders of the Series 2006 Warrants and the Bond Insurer, any benefit or any legal or equitable right, remedy or claim under this Lease Agreement.

IN WITNESS WHEREOF, the Authority and the County have caused this instrument to be duly executed and their respective corporate seals to be hereunto affixed and attested.

**THE JEFFERSON COUNTY PUBLIC
BUILDING AUTHORITY**



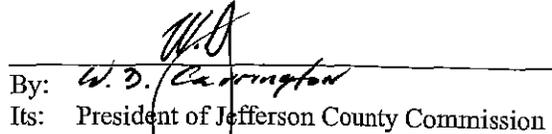
By: DON W. HOLMES
Its: President

[SEAL]

Attest:

By: Katrina W. Whitely
Its Secretary

JEFFERSON COUNTY, ALABAMA



By: W.D. Carrington
Its: President of Jefferson County Commission

[SEAL]

Attest:

By: Diane Jowers
Minute Clerk of the County Commission

STATE OF ALABAMA

JEFFERSON COUNTY

I, ELIZABETH D. BECK, a Notary Public in and for said County in said State, hereby certify that DON W. HOLMES, whose name as PRESIDENT OF THE JEFFERSON COUNTY PUBLIC BUILDING AUTHORITY, an Alabama public corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 8 day of JANUARY, 2013.

[NOTARIAL SEAL]

Elizabeth D. Beck
Notary Public

My commission expires: 10-3-2014

STATE OF ALABAMA

JEFFERSON COUNTY

I, Elizabeth D. Beck, a Notary Public in and for said County in said State, hereby certify that W.D. CARRINGTON, whose name as PRESIDENT OF THE JEFFERSON COUNTY COMMISSION, an Alabama public corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the 8 day of JANUARY, 2013.

[NOTARIAL SEAL]

Elizabeth D. Beck
Notary Public

My commission expires: 10-3-2014

EXHIBIT A

Description of Warrant-Financed Facilities

The Warrant-Financed Facilities subject to this Lease Agreement include the following components:

Bessemer Courthouse, Annex, Jail, and Phase II Property for New Courthouse

(a) **Real Property.** The following real property located in the City of Bessemer, which is situated in Jefferson County, Alabama:

PARCEL I:

Lots 1 thru 36; Lots 39 and 40; all in Block 221, according to the Survey of the City of Bessemer, as recorded in Map Book 2, Pages 14 and 15, in the Probate Office of Jefferson County, Alabama, Bessemer Division.

LESS AND EXCEPT the NE 4.84 feet of Lot 36, and the SE 16.35 feet of Lots 35 and 36; all in Block 221, according to the Survey of the City of Bessemer, as recorded in Map Book 2, Pages 14 and 15, in the Probate Office of Jefferson County, Alabama, Bessemer Division.

PARCEL II:

The Southeast 10 feet of Lot 2, and all of Lots 3 thru 20, in Block 242, according to the Survey of the City of Bessemer, as recorded in Map Book 2, Page 13, in the Probate Office of Jefferson County, Alabama, Bessemer Division.

PARCEL III:

Lots 21 thru 28, in Block 242, according to the Survey of the City of Bessemer, as recorded in Map Book 2, Page 14, in the Probate Office of Jefferson County, Alabama, Bessemer Division.

subject to the following permitted encumbrances:

(1) Liens for taxes, assessments or other governmental charges that are currently accruing, but not delinquent;

(2) Easements, claims of easements, encroachments, overlaps, boundary line disputes or other matters which would be disclosed by an accurate and up to date survey of the premises, whether or not recorded;

(3) Any prior reservation or conveyance, together with any release of damages of minerals of every kind and character, including, but not limited to gas, oil, sand and gravel in, on and under the Property;

(4) Restrictions, exceptions, reservations, conditions, limitations and other matters affecting the Property, if any, whether or not recorded;

(5) Building lines, easements, restrictions and reservations as shown on Map Book 2, Pages 13, 14 and 15, in the Probate Office of Jefferson County, Alabama, Bessemer Division (the "Probate Office");

(6) Any interest of others in and to Lot 7, in Block 221, as a result of the death or conveyance of said Lot by Charles W. Harrington, Mary M. Harrington or Margaret B. Harrington, subsequent to the ownership of said parties shown in deed recorded in Real 465, Page 320;

(7) Rights of owners of adjoining property in and to the joint or common rights in buildings situated on said lots, such rights include, but are not limited to, the roof, foundation, party walls, walkway and entrance, as recorded in Deed Volume 214, Page 251; and Volume 26, Page 1, in the Probate Office;

(8) Partywall agreements as recorded in Deed Volume 60, Page 201, and Deed Volume 82, Page 95, in the Probate Office;

(9) Mortgage to The Industrial Development Board of the City of Bessemer and The Bessemer Downtown Redevelopment Authority dated 7/17/98, recorded in Instrument #9861/8953, in the Probate Office;

(10) Title to all minerals within and underlying the premises, together with all mining rights and other rights, privileges and immunities relating thereto, including rights as set out in Real 721, Page 787, in the Probate Office;

(11) Rights, reservations or restrictions included in that certain Quitclaim Deed by Great Valley Land & Investment Company, Inc., to Sam Raine and Angeline Raine to The Stonewall Corp., as recorded in Real Volume 100, Page 64, in the Probate Office; and

(12) Drainage easement as recorded in Book 601, Page 905, in the Probate Office.

(b) **Buildings and Structures.** All buildings, structures and improvements now or hereafter located on the real property described above.

(c) **Personal Property and Fixtures.** All personal property and fixtures now or hereafter acquired by the Authority with proceeds of the Series 2006 Warrants for use in the buildings and structures described above.

EXHIBIT B

Permitted Encumbrances

“Permitted Encumbrances” shall mean:

- (1) The Indenture;
- (2) This Lease Agreement;
- (3) Liens for taxes, assessments and other governmental charges that are not delinquent or that are being contested in good faith by appropriate proceedings;
- (4) Mechanics’, materialmen’s or other similar liens arising in the ordinary course of business, securing obligations that are not delinquent or that are being contested in good faith by appropriate proceedings;
- (5) Liens in respect of judgments or awards with respect to which an appeal or other proceedings for review are being prosecuted in good faith and with respect to which a stay of execution pending such appeal or proceedings for review has been secured;
- (6) Restrictions, exceptions, reservations, conditions, limitations, interests and other matters that were identified in the commitments for title insurance delivered to the Trustee in connection with the issuance of the Series 2006 Warrants including, without limitation the matters set forth on Exhibit A hereto; and
- (7) Restrictions, exceptions, reservations, conditions, limitations, interests and other matters which, individually or in the aggregate, do not materially detract from the value of the property affected thereby and do not materially impair the use of such property for the purposes for which it is held by the Authority and used and occupied by the County.

EXHIBIT C
LEASE PAYMENT SCHEDULE

Lease Payment Dates	County Rental Payments	Bond Insurer Policy Payments
04/01/2013	\$1,250,000	
10/01/2013	\$1,250,000	
04/01/2014	\$2,000,000	
10/01/2014	\$2,000,000	
04/01/2015	\$2,500,000	
10/01/2015	\$2,434,046	
04/01/2016	\$2,434,046	\$1,043,432
10/01/2016	\$2,434,046	
04/01/2017	\$2,586,174	\$3,371,374
10/01/2017	\$2,586,174	
04/01/2018	\$2,586,174	\$3,243,521
10/01/2018	\$2,586,174	
04/01/2019	\$2,586,174	\$3,272,421
10/01/2019	\$2,586,174	
04/01/2020	\$2,586,174	\$3,299,921
10/01/2020	\$2,586,174	
04/01/2021	\$2,586,174	\$3,320,252
10/01/2021	\$2,586,174	
04/01/2022	\$2,586,174	
10/01/2022	\$2,586,174	
04/01/2023	\$2,586,174	
10/01/2023	\$2,586,174	
04/01/2024	\$2,586,174	
10/01/2024	\$2,586,174	

Lease Payment Dates	County Rental Payments	Bond Insurer Policy Payments
04/01/2025	\$2,434,046	
10/01/2025	\$2,434,046	
04/01/2026	\$2,434,046	\$10,633,646
10/01/2026	\$2,299,165	
04/01/2027	\$2,299,165	
10/01/2027	\$2,299,165	
04/01/2028	\$2,299,165	
10/01/2028	\$2,299,165	
04/01/2029	\$2,299,165	
10/01/2029	\$2,299,165	
04/01/2030	\$2,299,165	
10/01/2030	\$2,299,165	
04/01/2031	\$2,299,165	
10/01/2031	\$2,299,165	
04/01/2032	\$2,299,165	
10/01/2032	\$2,299,165	
04/01/2033	\$2,299,165	
10/01/2033	\$2,299,165	
04/01/2034	\$2,299,165	
10/01/2034	\$2,299,165	
04/01/2035	\$2,299,165	
10/01/2035	\$2,299,165	
04/01/2036	\$2,299,165	
10/01/2036	\$2,299,165	
04/01/2037	\$2,299,165	

20130109000025570 27/27
 Bk: LR201360 Pg:4419
 Jefferson County, Alabama
 01/09/2013 01:43:56 PM LEASE
 Fee - \$95.00

Total of Fees and Taxes-\$95.00
 KWBESS

C-2

STATE OF ALABAMA - JEFFERSON COUNTY
 I hereby certify that no mortgage tax or deed tax
 has been collected on this instrument.

Alan J. King

Judge of Probate

"NO TAX COLLECTED"

ATTACHMENT 3

its creditors, and other parties in interest; after due deliberation thereon; and good and sufficient cause appearing therefor; it is hereby

ORDERED, ADJUDGED and DECREED that all opposition to the 9019 Motion, including the *Objection of National Public Finance Guarantee Corporation to Motion for Order Approving Stipulation as a Compromise and Settlement of the County's Pending Bessemer Courthouse Lease Rejection Motion and of Certain Related Matters* [Docket No. 1490], is OVERRULED, and the 9019 Motion is GRANTED as set forth herein; and it is further

ORDERED, ADJUDGED and DECREED that the Stipulation is APPROVED pursuant to Bankruptcy Code section 105(a), Federal Rule of Bankruptcy Procedure 9019(a), and applicable decisional case law, and the parties thereto are authorized and ordered to take any and all actions as may be necessary or beneficial to effectuate and implement the Stipulation, subject to the terms thereof; and it is further

ORDERED, ADJUDGED and DECREED that the County provided due and proper notice of the Stipulation and the 9019 Motion in accordance with the *Order Establishing Notice, Service, and Case Management Procedures Pursuant to 11 U.S.C. §§ 102(1)(A) and 105(a) and Bankruptcy Rule 2002(m)* [Docket No. 89]; all interested parties have had an opportunity to be heard; and no other or further notice needs to be provided; and it is further

ORDERED, ADJUDGED and DECREED that the Trustee provided proper and sufficient notice of the Stipulation and the 9019 Motion to the holders of the Lease Warrants, and all relevant notice provisions applicable to such holders under the Indenture and any related document and agreement are deemed to be satisfied; and it is further

ORDERED, ADJUDGED and DECREED that any interested party, including but not limited to any holder of Lease Warrants, who did not timely object to the 9019 Motion is deemed

to consent to the relief requested in the 9019 Motion and the Stipulation and all agreements, actions, and transactions contemplated therein; and it is further

ORDERED, ADJUDGED and DECREED that the County's rejection of the Lease pursuant to the Stipulation is approved pursuant to Bankruptcy Code section 365(a) and no further motion or order shall be necessary to effectuate such rejection; and it is further

ORDERED, ADJUDGED and DECREED that, pursuant to section III.A of the Stipulation, the Lease (including, without limitation, any terms thereof that purport to survive the expiration or termination of such agreement) shall be deemed terminated and of no further force or effect on and as of the "Effective Date" of the Stipulation; and it is further

ORDERED, ADJUDGED and DECREED that, pursuant to section III.B of the Stipulation, the sole remedies that may be asserted with respect to the rejection of the Lease are (i) re-letting the Facilities to the County under the New Lease; and (ii) the filing of any "Rejection Claim" in accordance with section III.C.1 of the Stipulation; and it is further

ORDERED, ADJUDGED and DECREED that all relevant parties are authorized and directed to enter into the New Lease (which shall be deemed to have superseded the Lease in all respects on and after the "Effective Date" of the Stipulation), the Supplemental Indenture, and all other documents as are necessary to give effect to the Stipulation, all of which shall be binding on all parties in accordance with their terms on and after the "Effective Date" of the Stipulation; and it is further

ORDERED, ADJUDGED and DECREED that the Trustee is authorized and directed to (i) accept direction from Ambac as provided for in the Stipulation, including, without limitation, direction concerning the utilization of the Acquisition Fund in accordance with the Payment Schedule; and (ii) otherwise comply with the provisions of the Stipulation; and it is further

ORDERED, ADJUDGED and DECREED that without the need for any further action on the part of any holder and for the benefit of the holders of the Lease Warrants in order to insure the timely scheduled payment of debt service on the Lease Warrants, the Trustee is hereby granted the right and power to (i) execute any documents necessary to insure the timely scheduled payment of debt service on the Lease Warrants from payments by Ambac under its *Financial Guaranty Insurance Policy* (the “Policy”), including, without limitation, the power to execute any assignments required by Ambac in connection with any payments by Ambac under the Policy; and (ii) accept any amendments to or replacement of the Policy necessary to insure the timely scheduled payment of debt service on the Warrants; and it is further

ORDERED, ADJUDGED and DECREED that in executing and performing its obligations under the Stipulation, the Supplemental Indenture, and all other documents necessary to give effect to the Stipulation, the Trustee is acting in good faith and exercising the degree of care and skill required to protect the best interests of the holders of the Lease Warrants; and it is further

ORDERED, ADJUDGED and DECREED that in executing and performing its obligations under the Stipulation, the Supplemental Indenture, and all other documents necessary to give effect to the Stipulation, the Trustee has exercised its rights and powers and used the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of his or her own affairs; and it is further

ORDERED, ADJUDGED and DECREED that the Trustee shall incur no liability under the Indenture, the Supplemental Indenture, the Lease, the New Lease, or any other document related to the Lease Warrants or any other document necessary to give effect to the Stipulation, resulting from the Trustee’s execution and compliance with the terms and conditions of the Stipulation, the Supplemental Indenture, and all other documents necessary to give effect

to the Stipulation, in each case in accordance with the respective provisions thereof; and it is further

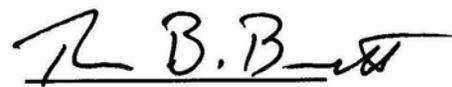
ORDERED, ADJUDGED and DECREED that the Stipulation, the New Lease, the Supplemental Indenture, and all other documents as are necessary to give effect to the Stipulation provide a comprehensive resolution of the issues related to the Rejection Motion, the Lease, and the Lease Warrants that is in the best interests of the County, its creditors, and all other parties in interest, including the holders of the Lease Warrants; and it is further

ORDERED, ADJUDGED and DECREED that the terms of the Stipulation are incorporated herein by reference, and to the extent there is any conflict between the terms of the Stipulation and this Order, the terms of this Order shall govern; and it is further

ORDERED, ADJUDGED and DECREED that this Court retains jurisdiction as provided by section VII.K of the Stipulation; and it is further

ORDERED, ADJUDGED and DECREED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Done and ordered this 20th day of December, 2012.



U.S. BANKRUPTCY JUDGE

ATTACHMENT 4

Endorsement

Policy for:

JEFFERSON COUNTY PUBLIC BUILDING AUTHORITY
(ALABAMA)

Attached to and forming part of Policy No.:

25645BE

Effective Date of Endorsement:

January 9, 2013

Policy No. 25645BE is hereby amended as follows:

1. The first paragraph of the Policy is hereby replaced and amended in its entirety to read as follows:

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees to pay to First Commercial Bank or its successor (the "Trustee"), as trustee under that certain Trust Indenture dated August 1, 2006 relating to the issuance of the above-described obligations (the "Obligations"), for the benefit of the Holders, that portion of the principal of and interest on the Obligations which shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Obligor.

(AS FURTHER DESCRIBED ON THE REVERSE HEREOF)

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

In Witness Whereof, Ambac has caused this Endorsement to be affixed with a facsimile of its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as its original seal and signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

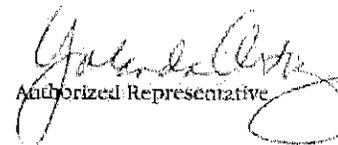
Ambac Assurance Corporation



President



Secretary



Authorized Representative

2. The second paragraph of the Policy is hereby replaced and amended in its entirety to read as follows:

Ambac will make such payments to the Trustee on the later of (a) one (1) business day following written notification to Ambac of Nonpayment or (b) the business day on which the Obligations are Due for Payment.

3. The third paragraph of the Policy is hereby replaced and amended in its entirety to read as follows:

The Trustee shall disburse such payments of principal to a Holder only upon presentation of an instrument of assignment in form and substance satisfactory to Ambac duly executed by the Trustee, as the Holder's duly authorized representative, so as to permit ownership of such Obligation to be registered in the name of Ambac or its nominee and transferring to Ambac all rights under such Obligations to receive the principal of and interest on the Obligations. The Trustee shall disburse such payments of interest to a Holder only upon presentation of an instrument of assignment in form and substance satisfactory to Ambac duly executed by the Trustee, as the Holder's duly authorized representative, transferring to Ambac all rights under such Obligations to receive the interest on the Obligations in respect of which the insurance disbursement was made. Ambac shall be subrogated to all of the Holders' rights to payment on the Obligations to the extent of any insurance disbursements so made.

4. Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy other than as above stated.