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**S&P Global**

Ratings

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**Jefferson County, AL's Series  
2017 Limited Obligation  
Refunding Warrants Rated 'AA';  
Outlook Stable**

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NEW YORK (S&P Global Ratings) June 15, 2017--S&P Global Ratings assigned its 'AA' rating and stable outlook to Jefferson County, Ala.'s \$344.145 million series 2017 limited obligation refunding warrants.

"We could raise the rating if there were a material change to the county's economy that resulted in significant pledged revenue and coverage growth to levels we consider comparable with the county's higher-rated peers," said S&P Global Ratings credit analyst Jim Tchou. "We could lower the rating if the county were to dilute coverage significantly to levels we no longer consider comparable with its similarly rated peers, either through the issuance of additional parity debt or a restructured amortization, or if pledged revenue were to decrease due to a material economic event."

The stable outlook reflects S&P Global Ratings' opinion that pledged revenue will likely continue to provide strong maximum annual debt service coverage in excess of 3x, supported by the county's stable economy, minimal recent history of significant pledged revenue fluctuation, and level amortization. S&P Global Ratings does not expect to change the rating during its two-year outlook period, but it expects modest ongoing pledged-revenue-stream growth to continue.

Proceeds of a new 1% sales-and-use tax to be levied in the county and money in certain funds created under the indenture secure the warrants. The county has agreed, in the indenture, to continue to levy and collect the sales tax and apply the proceeds of such to the series 2017 warrants until they are repaid in full.

S&P Global Ratings understands management will use series 2017 warrant proceeds to refinance all of the county's series 2004A and 2005A warrants.

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