

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION

In re:)	
)	
JEFFERSON COUNTY, ALABAMA,)	Case No. 11-05736-TBB
a political subdivision of the State of)	
Alabama,)	Chapter 9
)	
Debtor.)	

**SUPPLEMENT TO JEFFERSON COUNTY’S
MOTION FOR ENTRY OF ORDER APPROVING: (A) THE FORM, SCOPE, AND
NATURE OF SOLICITATION, BALLOTING, TABULATION, AND NOTICES WITH
RESPECT TO THE “CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON
COUNTY, ALABAMA (DATED JUNE 30, 2013)”; AND (B) RELATED
CONFIRMATION PROCEDURES, DEADLINES, AND NOTICES**

Jefferson County, Alabama (the “County”) files this supplement to the *Motion for Entry of Order Approving: (A) the Form, Scope, and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the “Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated June 30, 2013)”*; and *(B) Related Confirmation Procedures, Deadlines, and Notices* [Docket No. 1832] filed on July 3, 2013 (the “Plan Procedures Motion”).¹

SUPPLEMENT

1. In the Plan Procedures Motion, the County requests that the Court approve certain Solicitation Procedures, including forms of Ballots, Master Ballots, and balloting procedures.

2. Subsequent to the filing of the Plan Procedures Motion, the County has ascertained that the Series 2003-A Sewer Warrant was issued directly to, and is registered in the name of, the Alabama Water Pollution Control Authority. Because the Series 2003-A Sewer Warrant is not held through DTC, there is no Institutional Nominee regarding the Series 2003-A

¹ All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan Procedures Motion.



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Sewer Warrant, and there is no need to utilize both Beneficial and Master Ballots for purposes of soliciting votes on account of the Class 1-A Claims arising from the Series 2003-A Sewer Warrant.

3. The County has accordingly revised the proposed form of Ballot regarding the Series 2003-A Sewer Warrant. Attached hereto as **Exhibit 4(a).5** is a revised form of Ballot regarding the Series 2003-A Sewer Warrant, which revised form is intended to supersede and replace the form attached to the Plan Procedures Motion as **Exhibit 4(a).5**. In addition, the form of Master Ballot attached to the Plan Procedures Motion as **Exhibit 4(o).5** is no longer necessary and will not be utilized.

4. Subsequent to the filing of the Plan Procedures Motion, the County has also filed a revised version of the Plan, which makes various technical changes and includes substantive revisions intended to set forth a proposed settlement and compromise between the County and Lehman Brothers Special Financing Inc. *See* Docket Nos. 1911 & 1913. The revised version of the Plan is dated July 29, 2013, rather than June 30, 2013.

5. Subsequent to the filing of the Plan Procedures Motion, concerns have been raised about the ability of the Sewer Plan Support Parties or the Sewer Warrant Trustee to speak with individual holders of Sewer Warrants about the Plan and the Commutation Election available under the Plan or otherwise engage in acts of “solicitation” after the Disclosure Statement is approved and transmitted to Creditors in accordance with the Solicitation Procedures. Although the County believes that Bankruptcy Code section 1125(b) is clear that any party can solicit acceptances or rejections once a disclosure statement has been approved and a copy of the disclosure statement and the plan (or a summary of the plan) is forwarded to creditors, the County also believes that the Court can enter an order eliminating any doubt about the issue and

avoiding the risk that some party later asserts that any of the Sewer Plan Support Parties or the Sewer Warrant Trustee have engaged in improper activities by speaking directly with individual holders of Sewer Warrants about the Plan or about the Commutation Election available under the Plan.

6. The County has accordingly revised the proposed form of order on the Plan Procedures Motion to reflect the modifications described in this supplement. Attached hereto as **Annex A** is a revised form of proposed order, which revised form is intended to supersede and replace the form attached to the Plan Procedures Motion as **Annex A**. For the convenience of the Court and all parties in interest, attached hereto as **Annex B** is a “redlined” comparison of the revised form of proposed order that shows the changes made to the form attached to the Plan Procedures Motion.

WHEREFORE, the County respectfully requests that the Court enter an order substantially in the form of the revised proposed order attached hereto as **Annex A**, granting the Plan Procedures Motion and such other and further relief as is appropriate under the circumstances.

Dated this the 29th day of July, 2013.

/s/ J. Patrick Darby

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Counsel for Jefferson County, Alabama

Exhibit 4(a).5

(Revised form of Series 2003-A Sewer Warrant Ballot)

THIS BALLOT CONTAINS IMPORTANT VOTING AND ELECTION PROVISIONS THAT AFFECT YOUR RIGHTS. IF YOU FAIL TO COMPLETE AND RETURN THIS BALLOT, YOU WILL BE DEEMED TO HAVE RELEASED CERTAIN CLAIMS.

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

In re:)
)
JEFFERSON COUNTY, ALABAMA,) Case No. 11-05736-TBB
a political subdivision of the State of)
Alabama,) Chapter 9
)
Debtor.)

**BALLOT FOR HOLDERS OF
CLAIMS IN CLASS 1-A (SEWER WARRANT CLAIMS)**

SERIES 2003-A SEWER CLAIMS

THIS BALLOT (A “BALLOT”) IS TO BE USED BY HOLDERS OF SERIES 2003-A SEWER CLAIMS, WHICH ARE CLAIMS IN CLASS 1-A (SEWER WARRANT CLAIMS). PLEASE COMPLETE, SIGN, AND DATE THE BALLOT AND RETURN IT IN THE ENCLOSED ENVELOPE TO KURTZMAN CARSON CONSULTANTS LLC (THE “BALLOT TABULATOR”) SO THAT THE BALLOT IS ACTUALLY RECEIVED ON OR BEFORE 5:00 P.M. (PREVAILING CENTRAL TIME) ON OCTOBER 7, 2013, UNLESS SUCH TIME IS EXTENDED (THE “BALLOT DEADLINE”). DO NOT MAIL YOUR BALLOT DIRECTLY TO THE COUNTY, THE BANKRUPTCY COURT OR THE SEWER WARRANT TRUSTEE.

Jefferson County, Alabama (the “County”) is soliciting votes and elections with respect to the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as the same may be amended, supplemented or modified from time to time in accordance with the terms thereof and Bankruptcy Code section 942, the “Plan”), from the holders of certain Impaired Claims against the County. By order dated August [__], 2013 [Docket No. •] (the “Disclosure Statement Order”), the Bankruptcy Court approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as the same may be amended, supplemented or modified, the “Disclosure Statement”), and by order dated August [__], 2013 [Docket No. •] (the “Plan Procedures Order”), the Bankruptcy Court approved the *Motion for Entry of Order Approving: (A) The Form, Scope, and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the “Chapter 9 Plan of Adjustment for Jefferson County Alabama (Dated July 29, 2013)”*; and (B) *Related Confirmation Procedures, Deadlines, and Notices*. Pursuant to the Disclosure Statement Order and the Plan

Procedures Order, the Bankruptcy Court authorized the County to solicit (i) votes with respect to the approval or rejection of the Plan and (ii) elections with respect to the Commutation Election set forth therein. Copies of the Plan and Disclosure Statement are contained on the CD included in your package of solicitation materials.

If you are, as of August 6, 2013 (the “Ballot Record Date”), a holder (a “Holder”) of Series 2003-A Sewer Claims, which are Claims in Class 1-A (Sewer Warrant Claims), please use this Ballot to (i) cast your vote to accept or reject the Plan and (ii) execute your election to make or not make the Commutation Election provided in the Plan (which election will affect your Distribution under the Plan; you will receive a larger Distribution under the Plan if you make or are deemed to make the Commutation Election, but you will retain your Sewer Wrap Payment Rights, if any, if you do not make the Commutation Election). The Disclosure Statement contains information to assist you in deciding whether to accept or reject the Plan and whether to make or to not make the Commutation Election.

Please note that Section 6.2 of the Plan provides certain discharges and injunctions upon confirmation of the Plan. Also, please note that if you vote to accept the Plan, you will be consenting to certain injunction and release provisions described in Item 5 herein and fully set forth in Section 6.3 of the Plan. Please further note that if you make the Commutation Election, you will be consenting to certain additional injunction and release provisions described in Item 5 herein and fully set forth in Section 6.3 of the Plan. If you fail to complete and return this Ballot, you will be deemed to have made the Commutation Election, thereby releasing certain claims including against the Sewer Warrant Insurers. In addition, your election or deemed election with respect to the Commutation Election will affect your Distribution under the Plan.

All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Plan. If you have any questions regarding the proper completion of this Ballot, please contact the Ballot Tabulator by telephone at 866-967-0677 or email at JeffersonCountyInfo@kcellc.com. Please be advised that the Ballot Tabulator cannot provide legal advice.

IMPORTANT

BALLOT DEADLINE: 5:00 P.M. (PREVAILING CENTRAL TIME) ON OCTOBER 7, 2013

You should review the Disclosure Statement and the Plan before you complete and submit this Ballot. You may wish to seek legal advice concerning the Plan, the classification and treatment of your Series 2003-A Sewer Claim under the Plan, and/or the Commutation Election.

All of your Series 2003-A Sewer Claims against the County have been placed in Class 1-A under the Plan. If you hold other Series or subseries of Sewer Warrants, you will receive a Class 1-A Beneficial Ballot for each such other Series or subseries and must complete a separate Beneficial Ballot for each such Series or subseries. If you hold Claims in any other Class under the Plan, you will receive a Beneficial Ballot for each such other Class and must complete a separate Beneficial Ballot for each such Class.

In order for your vote to be counted, your Ballot must be properly completed, signed, and returned so that it is actually received by the Ballot Tabulator by the Ballot Deadline, unless such time is extended by the County.

PLEASE RETURN THE COMPLETED BALLOT USING THE ENCLOSED ENVELOPE TO THE FOLLOWING ADDRESS SO THAT IT IS ACTUALLY RECEIVED BY THE BALLOT DEADLINE:

**Jefferson County Ballot Tabulation
c/o Kurtzman Carson Consultants LLC
599 Lexington Avenue, 39th Floor
New York, NY 10022**

If your Ballot is not received by the Ballot Tabulator on or before the Ballot Deadline and such deadline is not extended by the County (i) your vote to accept or reject the Plan will not be honored, and (ii) you will be deemed to have made the Commutation Election.

YOU MUST DELIVER THE BALLOT IN THE MANNER DESCRIBED ABOVE. BALLOTS WILL NOT BE ACCEPTED BY TELECOPY, FACSIMILE, ELECTRONIC MAIL, OR OTHER ELECTRONIC MEANS OF TRANSMISSION.

If the Plan is confirmed by the Bankruptcy Court and becomes effective, the Plan and the treatment of your claims thereunder will be binding on you whether or not you return a Ballot, whether you accept or reject the Plan, and whether you make or do not make the Commutation Election.

IF YOU VOTE TO ACCEPT THE PLAN, YOU WILL BE DEEMED TO GRANT CERTAIN RELEASES AND CONSENT TO CERTAIN INJUNCTIONS SET FORTH IN SECTION 6.3 OF THE PLAN. IF YOU MAKE THE COMMUTATION ELECTION, YOU WILL BE GRANTING CERTAIN ADDITIONAL RELEASES AND CONSENTING TO CERTAIN ADDITIONAL INJUNCTIONS SET FORTH IN SECTION 6.3 OF THE PLAN. IF YOU FAIL TO EXECUTE AND RETURN THIS BALLOT, YOU WILL BE DEEMED TO HAVE MADE THE COMMUTATION ELECTION, THEREBY RELEASING CERTAIN CLAIMS AND CONSENTING TO CERTAIN INJUNCTIONS, INCLUDING AGAINST THE SEWER WARRANT INSURERS. YOUR ELECTION OR DEEMED ELECTION WITH RESPECT TO THE COMMUTATION ELECTION WILL AFFECT YOUR DISTRIBUTION UNDER THE PLAN (YOU WILL RECEIVE A LARGER DISTRIBUTION UNDER THE PLAN IF YOU MAKE OR ARE DEEMED TO MAKE THE COMMUTATION ELECTION, BUT YOU WILL RETAIN YOUR SEWER WRAP PAYMENT RIGHTS, IF ANY, IF YOU DO NOT MAKE THE COMMUTATION ELECTION).

HOW TO VOTE (AS MORE FULLY SET FORTH IN THE ATTACHED VOTING INSTRUCTIONS):

1. COMPLETE ITEM 1.
2. COMPLETE ITEM 2.
3. COMPLETE ITEM 3.
4. COMPLETE ITEM 4, IF APPLICABLE.
5. REVIEW ITEM 5.
6. REVIEW THE CERTIFICATIONS CONTAINED IN ITEM 6, AND COMPLETE ITEM 6.
7. **SIGN THE BALLOT.**
8. RETURN THE BALLOT TO THE BALLOT TABULATOR IN THE ENCLOSED ENVELOPE SO THAT IT IS ACTUALLY RECEIVED BY THE BALLOT TABULATOR BY THE BALLOT DEADLINE.
9. YOU MUST VOTE THE FULL AMOUNT OF THE ALLOWED SERIES 2003-A SEWER CLAIM COVERED BY THIS BALLOT EITHER TO ACCEPT OR TO REJECT THE PLAN. IN ADDITION, IF YOU HOLD OTHER SERIES OR SUBSERIES OF SEWER WARRANTS CLASSIFIED IN CLASS 1-A, YOU MUST SUBMIT THE SAME VOTE WITH RESPECT TO ALL SUCH SERIES OR SUBSERIES. YOU MAY NOT VOTE SOME SERIES OR SUBSERIES IN CLASS 1-A TO ACCEPT THE PLAN AND OTHER SERIES OR SUBSERIES WITHIN CLASS 1-A TO REJECT THE PLAN.
10. YOU MUST MAKE OR NOT MAKE THE COMMUTATION ELECTION WITH RESPECT TO THE FULL AMOUNT OF THE ALLOWED SERIES 2003-A SEWER CLAIM COVERED BY THIS BALLOT. HOWEVER, IF YOU HOLD OTHER SERIES OR SUBSERIES OF SEWER WARRANTS CLASSIFIED IN CLASS 1-A, YOU MAY EXECUTE DIFFERENT COMMUTATION ELECTIONS WITH RESPECT TO SUCH OTHER SERIES OR SUBSERIES.
11. ANY EXECUTED BALLOT RECEIVED THAT (A) DOES NOT INDICATE EITHER AN ACCEPTANCE OR REJECTION OF THE PLAN OR (B) INDICATES BOTH AN ACCEPTANCE AND A REJECTION OF THE PLAN WILL BE COUNTED AS AN ACCEPTANCE OF THE PLAN.
12. IF AN EXECUTED BALLOT IS RECEIVED FROM A HOLDER AND SUCH BALLOT (A) DOES NOT INDICATE ANY ELECTION WITH RESPECT TO THE COMMUTATION ELECTION OR (B) INDICATES BOTH AN ELECTION TO MAKE AND NOT MAKE THE COMMUTATION ELECTION, SUCH HOLDER WILL BE DEEMED TO HAVE MADE THE COMMUTATION ELECTION.
13. **IF YOU VOTE TO ACCEPT THE PLAN, YOU WILL BE DEEMED TO GRANT CERTAIN RELEASES AND CONSENT TO CERTAIN INJUNCTIONS SET FORTH IN SECTION 6.3 OF THE PLAN. IF YOU MAKE THE COMMUTATION ELECTION, YOU WILL BE GRANTING CERTAIN ADDITIONAL RELEASES AND CONSENTING TO CERTAIN ADDITIONAL INJUNCTIONS SET FORTH IN SECTION 6.3 OF THE PLAN. IF YOU FAIL TO EXECUTE AND RETURN THIS BALLOT, YOU WILL BE DEEMED TO HAVE MADE THE COMMUTATION ELECTION. YOUR ELECTION OR DEEMED ELECTION WITH RESPECT TO THE COMMUTATION ELECTION WILL AFFECT YOUR DISTRIBUTION UNDER THE PLAN.**
14. PRIOR TO EXECUTING THIS BALLOT YOU SHOULD READ THE PLAN AND DISCLOSURE STATEMENT.

**INSTRUCTIONS FOR COMPLETING THE BALLOT FOR
HOLDERS OF CLAIMS IN CLASS 1-A (SEWER WARRANT CLAIMS)**

SERIES 2003-A SEWER CLAIMS

1. This Ballot is submitted to you to (i) solicit your vote to accept or reject the Plan and (ii) request your election to make or not make the Commutation Election provided in the Plan. The terms of the Plan are described in the Disclosure Statement. **PLEASE READ THE PLAN AND DISCLOSURE STATEMENT CAREFULLY BEFORE COMPLETING THIS BALLOT.**

2. The Plan will be accepted by a Class of Claims which is entitled to vote on the Plan if it is accepted by the holders of two-thirds (2/3) in dollar amount and more than one-half (1/2) in number of the Allowed Claims in a Class that have voted to accept or reject the Plan. In the event a Class rejects the Plan, the Bankruptcy Court may nevertheless confirm the Plan and thereby make it binding on holders of Claims in the Class if the Bankruptcy Court finds the Plan does not unfairly discriminate against and accords fair and equitable treatment to the holders of Claims in the Class and all other Classes of Claims rejecting the Plan, and otherwise satisfies the requirements of section 1129(b) of the Bankruptcy Code that are applicable in this Case. If the Plan is confirmed by the Bankruptcy Court and becomes effective, all holders of Claims against the County (including those holders who abstain from voting on or reject the Plan, and those holders who are not entitled to vote on the Plan) will be bound by the confirmed Plan and the transactions contemplated thereby, whether or not they vote to accept the Plan and whether or not they make the Commutation Election.

3. **To have your vote counted, you must properly complete and sign this Ballot and return it to the Ballot Tabulator so that the Ballot is received by the Ballot Tabulator by the Ballot Deadline.**

4. To properly complete the Ballot, you must follow the procedures described below:

- a. Complete the information required in Item 1;
- b. Check one box, and one box only, in Item 2 of the Ballot indicating your intention to either accept the Plan or reject the Plan, as applicable;
- c. Check one box, and one box only, in Item 3 of the Ballot indicating your intention to either make the Commutation Election (Option 1) or not make the Commutation Election (Option 2), as applicable;
- d. You must vote all the Claims in Class 1-A you hold together, including different Series or subseries of Sewer Warrants, to accept or reject the Plan, but you may execute different Commutation Elections with respect to different Series or subseries of Sewer Warrants;
- e. If you are completing this Ballot on behalf of another person or entity, indicate your relationship to such person or entity and the capacity in

which you are signing and submit satisfactory evidence of your authority to so act (e.g., a power of attorney or a certified copy of board resolutions authorizing you to so act);

- f. If you hold other Series or subseries of Sewer Warrants, you will receive a Class 1-A Beneficial Ballot with respect to each such Series or subseries. If you also hold Claims in other Classes, you may receive more than one Ballot, labeled for a different Class of Claims. Your vote will be counted in determining acceptance or rejection of the Plan by a particular Class of Claims against the County only if you complete, sign, and return the Ballot labeled for that Class of Claims in accordance with the instructions on the Ballot;
- g. If you believe you have received the wrong Ballot, please contact the Ballot Tabulator immediately;
- h. Provide your name and mailing address;
- i. Sign and date your Ballot; and
- j. Return your Ballot to the Ballot Tabulator so that your Ballot is received by the Ballot Tabulator by the Ballot Deadline.

IF YOU FAIL TO EXECUTE AND RETURN THIS BALLOT YOU WILL BE DEEMED TO HAVE MADE THE COMMUTATION ELECTION AND THEREBY RELEASED CERTAIN CLAIMS INCLUDING AGAINST THE SEWER WARRANT INSURERS.

IF YOU HAVE ANY QUESTIONS REGARDING THE BALLOT, OR IF YOU DID NOT RECEIVE A COPY OF THE DISCLOSURE STATEMENT AND/OR THE PLAN, OR IF YOU RECEIVED SOLICITATION PACKAGE MATERIALS IN CD FORMAT AND DESIRE PAPER COPIES, OR IF YOU NEED ADDITIONAL COPIES OF THE BALLOT OR OTHER ENCLOSED MATERIALS, PLEASE CONTACT THE BALLOT TABULATOR BY TELEPHONE AT 866-967-0677 OR BY EMAIL AT JEFFERSONCOUNTYINFO@KCCLLC.COM. COPIES OF THE PLAN AND DISCLOSURE STATEMENT CAN ALSO BE ACCESSED ON THE BALLOT TABULATOR'S WEBSITE AT WWW.JEFFERSONCOUNTYRESTRUCTURING.COM. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT. PLEASE NOTE THAT THE BALLOT TABULATOR CANNOT PROVIDE LEGAL ADVICE.

PLEASE COMPLETE THE FOLLOWING:

ITEM 1. Principal Amount of Claims. The undersigned certifies that as of the Ballot Record Date, the undersigned was the Holder of Series 2003-A Sewer Claims in the aggregate unpaid principal amount set forth below. If you do not know the principal amount of the Series 2003-A Sewer Claims you hold, please contact the Ballot Tabulator immediately.

Principal Amount:	\$ _____
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ITEM 2. Vote on the Plan. The Holder of the aggregate principal amount of Series 2003-A Sewer Claims set forth above in Item 1 hereby votes with respect to such Series 2003-A Sewer Claims in Class 1-A as follows (check one box only):

<u>ACCEPT THE PLAN</u> <input type="checkbox"/>	<u>REJECT THE PLAN</u> <input type="checkbox"/>
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Any Ballot that is executed by the Holder of a Claim but is not marked to accept or reject the Plan or is marked both to accept and reject the Plan will be deemed to reflect the voter's intent to accept the Plan.

By voting to accept the Plan, you are agreeing to certain injunctions and releases set forth in Section 6.3 of the Plan, which releases are restated in Item 5 below.

Regardless of whether you vote to accept or reject the Plan, you are still entitled to make or elect not to make the Commutation Election.

ITEM 3. Commutation Election. In accordance with Section 2.3(a) of the Plan, and irrespective of whether you vote to accept or reject the Plan, as a Holder of an Allowed Series 2003-A Sewer Claim, you have the right to choose between the following two Distribution options:

Option 1: if you make or are deemed to make the Commutation Election, a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to **80%** of the Adjusted Sewer Warrant Principal Amount of your Series 2003-A Sewer Warrant in full, final, and complete settlement, satisfaction, release, and exchange of all of your Series 2003-A Sewer Claims and of all of your other Sewer Released Claims, both against the County and against any of the other Sewer Released Parties and their respective Related Parties (including against the Sewer Warrant Insurers and their respective Related Parties in respect of any of the Sewer Insurance Policies); or

Option 2: if you do not make the Commutation Election, (i) a Distribution on the Effective Date of Cash from Refinancing Proceeds, Remaining Accumulated Sewer Revenues, the Sewer Warrant Indenture Funds, or a combination thereof in an amount equal to **65%** of the Adjusted Sewer Warrant Principal Amount of your Series 2003-A Sewer Warrant in full, final, and complete settlement, satisfaction, release, and exchange of all your Series 2003-A Sewer Claims; and (ii) the retention of your Sewer Wrap Payment Rights, if any, against the applicable Sewer Warrant Insurer in respect of any Sewer Wrap Policies insuring your Series 2003-A Sewer Warrant, which Sewer Wrap Payment Rights shall not be waived or impaired.

The Holder of the aggregate principal amount of Series 2003-A Sewer Claims set forth above in Item 1 hereby elects with respect to his, her, or its Series 2003-A Sewer Claims in Class 1-A as follows (check one box only):

<p><u>MAKE COMMUTATION ELECTION</u> <u>(OPTION 1 – 80%)</u></p> <p style="text-align: center;"><input type="checkbox"/></p>	<p><u>DO NOT MAKE COMMUTATION</u> <u>ELECTION (OPTION 2 – 65%)</u></p> <p style="text-align: center;"><input type="checkbox"/></p>
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BY ELECTING “MAKE COMMUTATION ELECTION (OPTION 1 – 80%)” YOU ARE AGREEING TO GRANT RELEASES OF ANY AND ALL OF YOUR CLAIMS AGAINST THE SEWER RELEASED PARTIES AND THEIR RESPECTIVE RELATED PARTIES, INCLUDING AGAINST THE SEWER WARRANT INSURERS AND THEIR RESPECTIVE RELATED PARTIES IN RESPECT OF THE SEWER WRAP POLICIES, IN EXCHANGE FOR A GREATER CASH DISTRIBUTION (80%) UNDER THE PLAN. ANY PERSON OR ENTITY THAT PURCHASES ALL OR A PORTION OF YOUR SERIES 2003-A SEWER CLAIMS AFTER YOU HAVE SUBMITTED THIS BALLOT WILL BE BOUND BY SUCH ELECTION.

BY ELECTING “DO NOT MAKE COMMUTATION ELECTION (OPTION 2 – 65%)” YOU WILL RETAIN ANY RIGHTS YOU MAY HAVE AGAINST THE APPLICABLE SEWER WARRANT INSURER IN RESPECT OF ANY SEWER WRAP POLICIES INSURING YOUR SEWER WARRANTS, BUT YOU WILL RECEIVE A SMALLER CASH DISTRIBUTION (65%) UNDER THE PLAN. **YOU SHOULD REVIEW THE DISCLOSURE STATEMENT CAREFULLY BEFORE MAKING THIS ELECTION, SO THAT YOU UNDERSTAND THE RISKS ASSOCIATED WITH RETAINING CLAIMS AGAINST THE SEWER WARRANT INSURERS.**

ALL HOLDERS OF SERIES 2003-A SEWER CLAIMS THAT (I) DO NOT RETURN ANY BALLOT BY THE BALLOT DEADLINE, (II) RETURN A BALLOT BY THE BALLOT DEADLINE BUT DO NOT MAKE ANY ELECTION WITH RESPECT TO THE COMMUTATION ELECTION, OR (III) RETURN A BALLOT BY THE BALLOT DEADLINE AND INDICATE BOTH AN ELECTION TO MAKE AND AN ELECTION NOT TO MAKE THE COMMUTATION ELECTION, **WILL BE CONCLUSIVELY DEEMED TO HAVE MADE THE COMMUTATION ELECTION.**

ITEM 4. Certification as to Sewer Warrants Held in Additional Accounts.
 By signing this Ballot, the undersigned certifies that either (a) this Ballot is the only Ballot submitted by the undersigned for Claims in Class 1-A or (b) in addition to this Ballot, one or more Ballots or Beneficial Ballots (“Additional Ballots”) for Claims in Class 1-A have been submitted to Institutional Nominees as follows (please use additional sheets of paper if necessary).

**COMPLETE THIS SECTION ONLY IF YOU HAVE VOTED
 OTHER BALLOTS OR BENEFICIAL BALLOTS IN CLASS 1-A (INCLUDING OTHER
 SERIES OR SUBSERIES)**

Account Number of Other Sewer Warrants	Name of Registered Holder or Institutional Nominee of Other Sewer Warrants	CUSIP Number of Other Sewer Warrants	Series Number of Other Sewer Warrants	Principal Amount of Other Sewer Warrants Voted in Additional Ballot(s)

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To be counted, a Holder must vote all of its Claims in Class 1-A to either accept or reject the Plan. No split votes will be permitted (meaning, a Holder cannot vote some Class 1-A Claims to accept the Plan and other Class 1-A Claims to reject the Plan). If a Holder casts conflicting votes on this Ballot and other Ballots or Beneficial Ballots in respect of Claims in Class 1-A, all votes for Claims in Class 1-A on all Ballots will be disregarded. Different Commutation Elections with respect to different Series of Sewer Warrants in Class 1-A are permitted.

ITEM 5. Sections 6.3(a) and 6.3(b) of the Plan provide for the following Releases and Injunctions:

(a) Sewer Releases and Injunctions.

Under the Plan and as of the Effective Date, each Sewer Released Party, on behalf of itself, and to the maximum extent permitted by law, on behalf of each of its Related Parties, in exchange for and upon receipt of the treatment and consideration set forth in the Plan for the Sewer Released Parties, including the compromises and settlements among the Sewer Released Parties implemented pursuant to the Plan, forever waives and releases all other Sewer Released Parties and their respective Related Parties from any and all Sewer Released Claims.

Under the Plan and as of the Effective Date, all Persons who voted to accept the Plan or who made or are deemed to have made the Commutation Election will be conclusively deemed to have irrevocably and unconditionally, fully, finally, and forever waived and released and discharged on their own behalf, and on behalf of any Person claiming through them, all Sewer Released Parties and their respective Related Parties from any and all Sewer Released Claims.

From and after the Effective Date, the County, any Person seeking to exercise the rights of the County (including in respect of the County’s Causes of Action purportedly asserted in the Bennett Action and the Wilson Action), all Persons holding any Sewer Released Claims that are waived and released pursuant to this Section 6.3(a), and all Persons acting or purporting to act on behalf of any Persons holding any Sewer Released Claims that are waived and released pursuant to this Section 6.3(a), are permanently and completely enjoined from commencing or continuing any action, directly or indirectly and in any manner, to assert, pursue, litigate, or otherwise seek any recovery on or on account of such Sewer Released Claims.

From and after the Effective Date, the Sewer Warrant Trustee, any holders of Sewer Warrants, or any other Person are permanently and completely enjoined from pursuing any right of payment under (i) any of the Sewer DSRF Policies, which will be cancelled and of no further force or effect pursuant to Section 4.7; or (ii) any of the Sewer Wrap Policies with respect to any Sewer Warrant holder that made or was deemed to have made the Commutation Election, which Sewer Wrap Policies will be cancelled and of no

further force or effect pursuant to Section 4.7; *provided, however*, that such injunction shall not enjoin any holders of Sewer Warrants that did not make or were deemed not to make the Commutation Election, or, if applicable, the Sewer Warrant Trustee on their behalf, from pursuing any Sewer Wrap Payment Rights.

(b) **GO Releases and Injunctions.**

Under the Plan and as of the Effective Date, each GO Released Party, on behalf of itself, and to the maximum extent permitted by law, on behalf of each of its Related Parties, in exchange for and upon receipt of the treatment and consideration set forth in the Plan for the GO Released Parties, including the compromises and settlements among the GO Released Parties implemented pursuant to the Plan, forever waives and releases all other GO Released Parties and their respective Related Parties from any and all GO Released Claims.

Under the Plan and as of the Effective Date, all Persons who voted to accept the Plan will be conclusively deemed to have irrevocably and unconditionally, fully, finally, and forever waived and released and discharged on their own behalf, and on behalf of any Person claiming through them, all GO Released Parties and their respective Related Parties from any and all GO Released Claims.

From and after the Effective Date, the County, any Person seeking to exercise the rights of the County, all Persons holding any GO Released Claims that are waived and released pursuant to this Section 6.3(b), and all Persons acting or purporting to act on behalf of any Persons holding any GO Released Claims that are waived and released pursuant to this Section 6.3(b), are permanently and completely enjoined from commencing or continuing any action, directly or indirectly and in any manner, to assert, pursue, litigate, or otherwise seek any recovery on or on account of such GO Released Claims.

IMPORTANT INFORMATION REGARDING THE RELEASES AND INJUNCTIONS:

IF YOU VOTE TO **ACCEPT** THE PLAN, YOU ARE AUTOMATICALLY DEEMED TO CONSENT TO CERTAIN RELEASES CONTAINED IN SECTION 6.3 OF THE PLAN.

IF YOU **MAKE THE COMMUTATION ELECTION**, REGARDLESS OF YOUR VOTE TO ACCEPT OR REJECT THE PLAN, YOU ARE CONSENTING TO CERTAIN ADDITIONAL RELEASES CONTAINED IN SECTION 6.3 OF THE PLAN.

IF YOU VOTE TO **ACCEPT THE PLAN AND DO NOT MAKE THE COMMUTATION ELECTION**, YOU ARE BOUND BY THE RELEASES CONTAINED IN SECTION 6.3 OF THE PLAN, BUT YOU RETAIN ANY RIGHTS YOU MAY HAVE AGAINST THE APPLICABLE SEWER WARRANT INSURER IN RESPECT OF ANY SEWER WRAP POLICIES INSURING YOUR SEWER WARRANTS.

IF YOU VOTE TO **REJECT THE PLAN AND DO NOT MAKE THE COMMUTATION ELECTION**, YOU ARE NOT BOUND BY THE RELEASES CONTAINED IN SECTION 6.3 OF THE PLAN WITH RESPECT TO ANY DIRECT CLAIMS YOU MAY HOLD THAT WOULD OTHERWISE BE RELEASED PURSUANT TO SECTION 6.3 (EXCEPT FOR ANY RIGHTS YOU MAY HAVE AGAINST THE APPLICABLE SEWER WARRANT INSURER IN RESPECT OF ANY SEWER DSRF POLICIES, WHICH POLICIES ARE CANCELLED UNDER THE PLAN).

ITEM 6. **Certification.** By signing this Ballot, the Holder of the Series 2003-A Sewer Claims in Class 1-A identified in Item 1 above certifies that he, she, or it:

- a. Is the Holder of the Series 2003-A Sewer Claims in Class 1-A to which this Ballot pertains or is an authorized signatory, and has full power and authority to vote to accept or reject the Plan and make an election regarding the Commutation Election;
- b. Has been provided with a copy of the Plan, Disclosure Statement, Disclosure Statement Order and Plan Procedures Order, and acknowledges that the vote set forth on this Ballot is subject to all the terms and conditions set forth in the Plan, Disclosure Statement, Disclosure Statement Order, and Plan Procedures Order;
- c. Has not submitted any other Ballots or Beneficial Ballots (including those Ballots set forth in Item 4 above) relating to its Claims in Class 1-A that are inconsistent with the votes as set forth in this Ballot or that, as limited by the terms of the Plan Procedures Order and the instructions attached hereto, if such other Ballots were previously submitted, they either have been or are hereby revoked or changed to reflect the vote set forth herein; and
- d. Understands that by voting to accept the Plan and/or make the Commutation Election, he, she, or it is agreeing to certain release and injunction provisions in the Plan and copied above.

Print or Type Name of Claim Holder:	_____
Signature:	_____
Name of Signatory (if different than Claim Holder):	_____
If by Authorized Agent, Title of Agent:	_____
Street Address:	_____
City, State, and Zip Code:	_____
Telephone Number:	_____
Email Address:	_____
Date Completed:	_____

This Ballot is not a letter of transmittal and may not be used for any purpose other than to cast votes to accept or reject the Plan and to make or not make the Commutation Election. Moreover, this Ballot shall not constitute an assertion of a Claim or Cause of Action.

THE BALLOT DEADLINE IS 5:00 P.M. (PREVAILING CENTRAL TIME) ON OCTOBER 7, 2013, UNLESS SUCH TIME IS EXTENDED. PLEASE RETURN YOUR BALLOT TO THE BALLOT TABULATOR SO THAT IT IS RECEIVED BY THE BALLOT TABULATOR NO LATER THAN THE BALLOT DEADLINE.

Annex A

(Proposed Order – As Revised on July 29, 2013)

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

In re:)	
)	
JEFFERSON COUNTY, ALABAMA,)	Case No. 11-05736-TBB
a political subdivision of the State of)	
Alabama,)	Chapter 9
)	
Debtor.)	

ORDER APPROVING:

(A) THE FORM, SCOPE, AND NATURE OF SOLICITATION, BALLOTING, TABULATION, AND NOTICES WITH RESPECT TO THE “CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA (DATED JULY 29, 2013)”;
AND (B) RELATED CONFIRMATION PROCEDURES, DEADLINES, AND NOTICES

THIS MATTER came before the Court on August 6, 2013, upon the *Motion for Entry of Order Approving: (A) the Form, Scope, and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the “Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated June 30, 2013)”*; and *(B) Related Confirmation Procedures, Deadlines, and Notices* [Docket No. 1832] (as subsequently supplemented by the County on July 29, 2013, the “Plan Procedures Motion”¹), which Plan Procedures Motion seeks approval of certain deadlines and procedures relating to Plan solicitation, tabulation of Ballots, the Commutation Election, the Rescission of Deemed Election, and Plan confirmation, and approving the form and scope of notice thereof, all as more specifically described in the Plan Procedures Motion and in the exhibits attached to the Plan Procedures Motion. Based on the pleadings of record, the arguments and representations of counsel, for good cause shown, and all other matters brought before the Court; it appearing that sufficient notice was provided and no other or further notice is necessary; it appearing that the relief requested in the Plan Procedures Motion is fair, equitable,

¹ All capitalized terms used but not otherwise defined in this Order have the meanings ascribed to those terms in the Plan Procedures Motion, its exhibits, or the Plan, as applicable.

and in the best interests of the County, 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 objections to the Plan Procedures Motion are **OVERRULED** in their entirety, and the Plan Procedures Motion is **GRANTED** as set forth herein; and it is further

ORDERED, ADJUDGED and DECREED that the Solicitation Procedures, as described in detail in the Plan Procedures Motion, provide a fair and equitable noticing and voting process and are fully consistent with Bankruptcy Code sections 1125 and 1126, Bankruptcy Rules 2002, 3017, 3018, and 3020, the requirements of the due process clause of the Fifth Amendment to the United States Constitution, and, to the extent applicable, the requirements of the due process clause of the Fourteenth Amendment to the United States Constitution, including because the Solicitation Procedures, as described in detail in the Plan Procedures Motion, will provide good and sufficient notice to all interested parties of the Ballot Record Date, the Ballot Deadline, the Commutation Election, the Rescission of Deemed Election, the Rescission Deadline, the deadline to object to confirmation of the Plan, the deadline to object to the Notice of Non-Voting Status, the Confirmation Hearing, and all related matters; and it is further

ORDERED, ADJUDGED and DECREED that the Solicitation Procedures (and the form and manner of notice thereof), including the form of the Confirmation Hearing Notice attached to the Plan Procedures Motion as **Exhibit 1**, the proposed Solicitation Package and General Procedures attached to the Plan Procedures Motion as **Exhibit 2**, the form of Publication Notice attached to the Plan Procedures Motion as **Exhibit 3**, the forms of Ballots and Master Ballots (including all instructions provided therein) attached to the Plan Procedures Motion

collectively as Exhibit 4(a)-(o) and as subsequently supplemented by the County, the form of Notice of Non-Voting Status attached to the Plan Procedures Motion as Exhibit 5, the proposed Tabulation Rules attached to the Plan Procedures Motion as Exhibit 6, the proposed Commutation Election Procedures attached to the Plan Procedures Motion as Exhibit 7, and the form of Rescission of Deemed Election Notice (including all of the procedures set forth therein) attached to the Plan Procedures Motion as Exhibit 8, are APPROVED in their entirety and in all respects,² are incorporated by reference herein, and, in each instance, will be given the same force and effect as if set forth fully in the text of this Order; and it is further

ORDERED, ADJUDGED and DECREED that the County shall serve (or cause to be served) the Solicitation Package in accordance with the Solicitation Package and General Procedures on or before **August 21, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the County shall cause the one-time publication of the Publication Notice in each of *The Birmingham News*, *The Bond Buyer*, and *The Wall Street Journal* on or before **August 21, 2013**, which shall constitute adequate and sufficient notice, complies with the requirements of the due process clause of the Fifth Amendment to the United States Constitution, and, to the extent applicable, complies with the requirements of the due process clause of the Fourteenth Amendment to the United States Constitution, of the contents of the Confirmation Hearing Notice, including with respect to information on the Solicitation Packages, the Commutation Election, the Rescission of Deemed Election, and injunctions and releases provided under the Plan, on all claimants whose identity is neither known to nor reasonably ascertainable by the County and on any other claimants that do not otherwise receive the Solicitation Package or Confirmation Hearing Notice; and it is further

² In each instance, the County is authorized to revise such exhibit as may be appropriate or necessary to reflect the revision of the Plan's date from June 30, 2013, to July 29, 2013.

ORDERED, ADJUDGED and DECREED that the holders of Claims in those classes of Claims that are unimpaired and conclusively presumed to accept the Plan under Bankruptcy Code section 1126(f) (i.e., Classes 3-A, 3-B, 4, 5-B, 5-C, and 8) or are Impaired and deemed to reject the Plan under Bankruptcy Code section 1126(g) (i.e., Classes 1-E, 1-F, and 9) are not entitled to vote on the Plan on account of such Claims, and the County shall serve the Notice of Non-Voting Status on such holders on or before **August 21, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that, for the avoidance of doubt, the Sewer Plan Support Parties and the Sewer Warrant Trustee may discuss the Plan and the decision to make or not make the Commutation Election, including making recommendations with respect thereto, with individual holders of Sewer Warrants from and after the date on which the Solicitation Package is served (or caused to be served) by the County; and it is further

ORDERED, ADJUDGED and DECREED that the Disclosure Statement, the Plan, the Confirmation Hearing Notice, the Rescission of Deemed Election Notice, the Ballots, and the Notice of Non-Voting Status provide all parties in interest with good and sufficient notice, complies with the requirements of the due process clause of the Fifth Amendment to the United States Constitution, and, to the extent applicable, complies with the requirements of the due process clause of the Fourteenth Amendment to the United States Constitution, regarding the Commutation Election, the Rescission of Deemed Election, the Notice of Non-Voting Status, and all other settlement, release, exculpation, and injunction provisions contained in the Plan in compliance with Bankruptcy Rule 3016(c); and it is further

ORDERED, ADJUDGED and DECREED that the Ballot Record Date is **August 6, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the deadline for filing and serving objections, if any, to Claims solely for purposes of determining which Creditors are entitled to vote to accept or reject the Plan (and thus not an applicable deadline or otherwise relevant to any other potential objections regarding any Claim) is **September 13, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that any claimant filing a Rule 3018 Motion must file and serve such motion on the County's counsel so that it is received by the later of (x) **September 27, 2013**, and (y) ten (10) calendar days after the date of service of a notice of objection, if any, to the applicable Claim; and it is further

ORDERED, ADJUDGED and DECREED that the County shall file and serve its response to any Rule 3018 Motion on or before **October 11, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the County shall file and serve the Plan Supplement on or before **September 30, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the Ballot Deadline is **October 7, 2013 at 5:00 p.m. (prevailing Central time)**, and to be counted as a vote to accept or reject the Plan, each Ballot and Master Ballot, as applicable, must be properly executed, completed, and delivered to the Ballot Tabulator so that such Ballot or Master Ballot is actually received by the Ballot Tabulator no later than the Ballot Deadline; and it is further

ORDERED, ADJUDGED and DECREED that objections to confirmation of the Plan, *other than* any objection by a non-debtor party to an executory contract or an unexpired lease to be assumed under the Plan to such assumption or to the proposed Cure Payment it is to receive under the Plan, if any, must: (a) be in writing, (b) specify the name and address of the party objecting, (c) set forth the amount of the objecting party's Claims and any other grounds giving the objecting party standing to object, (d) set forth with particularity the legal and factual

grounds for the objection, (e) be accompanied by the objecting party's evidentiary support for its objection, including declarations made under penalty of perjury and other admissible documentary evidence, and (f) be served on the County and the Master Service List Parties so that they are actually received no later than **4:00 p.m., prevailing Central time, on October 7, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that any objections by a non-debtor party to an executory contract or an unexpired lease to be assumed under the Plan to such assumption or to the proposed Cure Payment it is to receive under the Plan, if any, must (a) be in writing, (b) specify the name and address of the party objecting, (c) set forth with particularity the legal and factual grounds for the objection, (d) be accompanied by the objecting party's evidentiary support for its objection, including declarations made under penalty of perjury and other admissible documentary evidence, and (e) be served on the County and the Master Service List Parties so that they are actually received no later than **4:00 p.m., prevailing Central time, on October 21, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that any objection not timely filed and served will be deemed to be waived, will not be heard by the Court, and will be deemed to be a consent to the Court's entry of an order confirming the Plan; any evidence that is not timely filed and served will be stricken from the record and will not be considered in determining any contested matter at the Confirmation Hearing; and any failure of a non-debtor party to an executory contract or an unexpired lease to be assumed under the Plan to timely file and serve an objection and supporting evidence shall be deemed to waive any and all objections to the proposed assumption (including the proposed Cure Payment, if any) of its contract or lease; and it is further

ORDERED, ADJUDGED and DECREED that the County shall file a consolidated response to objections to confirmation of the Plan, if any, on or before **November 5, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the County shall file and serve the Plan Ballot Summary, the County's documentary evidence in support of confirmation of the Plan, and any supplement to the County's omnibus reply to any objections to confirmation of the Plan on or before **November 8, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the Confirmation Hearing is scheduled to commence on **November 12, 2013 at 9:00 a.m. (prevailing Central time)** before the Honorable Thomas B. Bennett, United States Bankruptcy Court, 505 20th Street, Birmingham, Alabama 35203, and may be continued from time to time by the Court or the County without further notice other than an announcement of the adjournment at the Confirmation Hearing or any continued hearing; and it is further

ORDERED, ADJUDGED and DECREED that CEDE & Company ("CEDE") and The Depository Trust Company ("DTC") shall provide the County within five (5) Business Days of the date of this Order with a listing of the names and addresses of all Institutional Nominees that as of the Ballot Record Date held, directly or indirectly, any of the Warrants; and it is further

ORDERED, ADJUDGED and DECREED that, with respect to tabulating Master Ballots and ballots sent to a Beneficial Holder of Warrants ("Beneficial Holder Ballots"), the Institutional Nominees shall (i) upon receipt of the Solicitation Packages from the Ballot Tabulator, cause the Solicitation Packages to be forwarded immediately to the Beneficial Holders of the Warrants, (ii) collect individual Beneficial Holder Ballots from the Beneficial Holders accepting or rejecting the Plan and, with respect to Beneficial Holder Ballots from

Beneficial Holders of Sewer Warrants, making or not making the Commutation Election, (iii) summarize the results of all votes cast on the Plan and, if applicable, elections made regarding the Commutation Election, by the Beneficial Holders on and return the applicable Master Ballot to the Ballot Tabulator by the Ballot Deadline, and (iv) provide the Ballot Tabulator with copies of all Beneficial Holder Ballots received by such Institutional Nominee by the Ballot Deadline; and it is further

ORDERED, ADJUDGED and DECREED that, with respect to the distribution and tabulation of Beneficial Holder Ballots applicable to the Class 1-A (Sewer Warrant Claims) and Class 1-B (Bank Warrant Claims and Primary Standby Sewer Warrant Claims) Claims held by the Designated Sewer Plan Support Parties, the County and the Ballot Tabulator are authorized and allowed to utilize the Sewer Plan Support Ballot Procedures (including the form of Designated Sewer Plan Support Parties' Beneficial Ballot cover sheet attached to the Plan Procedures Motion as Exhibit 4(p)), the Ballot Tabulator is authorized hereunder to rely upon the terms of each Beneficial Holder Ballot delivered directly to the Ballot Tabulator by a Designated Sewer Plan Support Party and shall, in accordance with the General Procedures, recognize for all purposes such Beneficial Holder Ballots as the valid and controlling Ballots of such Creditors for voting, election, and tabulation purposes without any liability to any party whatsoever, and the County may address any unforeseen balloting issues that may arise with respect to any Ballots cast or to be cast by any of the Sewer Plan Support Parties through a stipulation to be Filed on the docket in the Case; and it is further

ORDERED, ADJUDGED and DECREED that, with respect to Deemed Commuting Holders to which the Rescission of Deemed Election is available, the Institutional Nominees shall (i) as soon as practicable after the Ballot Deadline, cause the Rescission of Deemed

Election Notice (which contains the beneficial and master forms for the Rescission of Deemed Election) to be forwarded to such Deemed Commuting Holders, (ii) collect any Rescission of Deemed Election beneficial forms properly completed and timely returned by any Deemed Commuting Holders, (iii) transcribe the contents of all Rescission of Deemed Election beneficial forms properly completed and timely returned by any Deemed Commuting Holders duly exercising a Rescission of Deemed Election onto a Rescission of Deemed Election master form, (iv) return the Rescission of Deemed Election master form to the Ballot Tabulator by the Rescission Deadline, and (v) return by the Rescission Deadline copies of all properly completed Rescission of Deemed Election beneficial forms to each of the Ballot Tabulator, the County, and Assured; and it is further

ORDERED, ADJUDGED and DECREED that holders of Series 2003-C-9 Through C-10 Sewer Warrants that affirmatively checked the applicable box on their respective Ballot indicating whether or not they were making the Commutation Election on or before the Ballot Deadline will not receive the Rescission of Deemed Election Notice as such holders will not be permitted to exercise any Rescission of Deemed Election; and it is further

ORDERED, ADJUDGED and DECREED that the Clerk of the Court shall establish and maintain a website or webpages accessible through the Court's website, www.alnb.uscourts.gov, through which the Plan, the Disclosure Statement, the Disclosure Statement Order, the Confirmation Hearing Notice, the Plan Procedures Motion, and this Order will be available for review and download by the public; and it is further

ORDERED, ADJUDGED and DECREED that the County is authorized to make non-substantive or immaterial changes to the Plan (in accordance with the terms thereof and Bankruptcy Code section 942), the Ballots, the Master Ballots, and all related documents

(including, without limitation, all exhibits to the Plan Procedures Motion) without further order of the Court, including, without limitation, (i) making ministerial changes to correct typographical and grammatical errors, and making conforming changes among the Disclosure Statement, the Plan, the Ballots, the Master Ballots, and any other materials in the Solicitation Packages prior to mailing as may be appropriate; and (ii) altering the format of such documents to facilitate their prompt and economical distribution (e.g., if applicable, single spacing the documents, removing pleading lines, and the like); and it is further

ORDERED, ADJUDGED and DECREED that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED, ADJUDGED and DECREED that the County is authorized, in its discretion, to take or refrain from taking any action necessary or appropriate to effectuate the terms of and relief granted pursuant to this Order in accordance with the Plan Procedures Motion and without further order of the Court; and it is further

ORDERED, ADJUDGED and DECREED that this Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order; and it is further

ORDERED, ADJUDGED and DECREED that this Order is without prejudice to the rights of the County pursuant to Bankruptcy Code section 904, and nothing herein is intended as or shall be deemed to constitute the County's consent to this Court's interference with (1) any of the political or governmental powers of the County, (2) any of the property or revenues of the County, or (3) the County's use or enjoyment of any income-producing property.

DONE AND ORDERED this the _____ day of August, 2013.

UNITED STATES BANKRUPTCY JUDGE

Annex B

(Redline of Changes Made to Proposed Order)

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ALABAMA
SOUTHERN DIVISION**

In re:)	
)	
JEFFERSON COUNTY, ALABAMA,)	Case No. 11-05736-TBB
a political subdivision of the State of)	
Alabama,)	Chapter 9
)	
Debtor.)	

ORDER APPROVING:

(A) THE FORM, SCOPE, AND NATURE OF SOLICITATION, BALLOTING, TABULATION, AND NOTICES WITH RESPECT TO THE “CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA (DATED ~~JUNE 30,~~ JULY 29, 2013)”; **AND (B) RELATED CONFIRMATION PROCEDURES, DEADLINES, AND NOTICES**

THIS MATTER came before the Court on August 6, 2013, upon the *Motion for Entry of Order Approving: (A) the Form, Scope, and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the “Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated June 30, 2013)”*; and *(B) Related Confirmation Procedures, Deadlines, and Notices* [Docket No. ~~1832~~ (as subsequently supplemented by the County on July 29, 2013, the “Plan Procedures Motion”¹), which Plan Procedures Motion seeks approval of certain deadlines and procedures relating to Plan solicitation, tabulation of Ballots, the Commutation Election, the Rescission of Deemed Election, and Plan confirmation, and approving the form and scope of notice thereof, all as more specifically described in the Plan Procedures Motion and in the exhibits attached to the Plan Procedures Motion. Based on the pleadings of record, the arguments and representations of counsel, for good cause shown, and all other matters brought before the Court; it appearing that sufficient notice was provided and no other or further notice is necessary; it appearing that the relief requested in the Plan Procedures Motion is fair, equitable,

¹ All capitalized terms used but not otherwise defined in this Order have the meanings ascribed to those terms in the Plan Procedures Motion, its exhibits, or the Plan, as applicable.

and in the best interests of the County, 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 objections to the Plan Procedures Motion are OVERRULED in their entirety, and the Plan Procedures Motion is GRANTED as set forth herein; and it is further

ORDERED, ADJUDGED and DECREED that the Solicitation Procedures, as described in detail in the Plan Procedures Motion, provide a fair and equitable noticing and voting process and are fully consistent with Bankruptcy Code sections 1125 and 1126, Bankruptcy Rules 2002, 3017, 3018, and 3020, ~~and~~ the requirements of the due process clause of the Fifth Amendment to the United States Constitution, and, to the extent applicable, the requirements of the due process clause of the Fourteenth Amendment to the United States Constitution, including because the Solicitation Procedures, as described in detail in the Plan Procedures Motion, will provide good and sufficient notice to all interested parties of the Ballot Record Date, the Ballot Deadline, the Commutation Election, the Rescission of Deemed Election, the Rescission Deadline, the deadline to object to confirmation of the Plan, the deadline to object to the Notice of Non-Voting Status, the Confirmation Hearing, and all related matters; and it is further

ORDERED, ADJUDGED and DECREED that the Solicitation Procedures (and the form and manner of notice thereof), including the form of the Confirmation Hearing Notice attached to the Plan Procedures Motion as **Exhibit 1**, the proposed Solicitation Package and General Procedures attached to the Plan Procedures Motion as **Exhibit 2**, the form of Publication Notice attached to the Plan Procedures Motion as **Exhibit 3**, the forms of Ballots and Master Ballots (including all instructions provided therein) attached to the Plan Procedures Motion

collectively as **Exhibit 4(a)-(o)** and as subsequently supplemented by the County, the form of Notice of Non-Voting Status attached to the Plan Procedures Motion as **Exhibit 5**, the proposed Tabulation Rules attached to the Plan Procedures Motion as **Exhibit 6**, the proposed Commutation Election Procedures attached to the Plan Procedures Motion as **Exhibit 7**, and the form of Rescission of Deemed Election Notice (including all of the procedures set forth therein) attached to the Plan Procedures Motion as **Exhibit 8**, are APPROVED in their entirety and in all respects,² are incorporated by reference herein, and, in each instance, will be given the same force and effect as if set forth fully in the text of this Order; and it is further

ORDERED, ADJUDGED and DECREED that the County shall serve (or cause to be served) the Solicitation Package in accordance with the Solicitation Package and General Procedures on or before **August 21, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the County shall cause the one-time publication of the Publication Notice in each of *The Birmingham News*, *The Bond Buyer*, and *The Wall Street Journal* on or before **August 21, 2013**, which shall constitute adequate and sufficient notice, ~~and~~ complies with the requirements of the due process clause of the Fifth Amendment to the United States Constitution, and, to the extent applicable, complies with the requirements of the due process clause of the Fourteenth Amendment to the United States Constitution, of the contents of the Confirmation Hearing Notice, including with respect to information on the Solicitation Packages, the Commutation Election, the Rescission of Deemed Election, and injunctions and releases provided under the Plan, on all claimants whose identity is neither known to nor reasonably ascertainable by the County and on any other claimants that do not otherwise receive the Solicitation Package or Confirmation Hearing Notice; and it is further

² In each instance, the County is authorized to revise such exhibit as may be appropriate or necessary to reflect the revision of the Plan's date from June 30, 2013, to July 29, 2013.

ORDERED, ADJUDGED and DECREED that the holders of Claims in those classes of Claims that are unimpaired and conclusively presumed to accept the Plan under Bankruptcy Code section 1126(f) (i.e., Classes 3-A, 3-B, 4, 5-B, 5-C, and 8) or are Impaired and deemed to reject the Plan under Bankruptcy Code section 1126(g) (i.e., Classes 1-E, 1-F, and 9) are not entitled to vote on the Plan on account of such Claims, and the County shall serve the Notice of Non-Voting Status on such holders on or before **August 21, 2013**; and it is further

[ORDERED, ADJUDGED and DECREED that, for the avoidance of doubt, the Sewer Plan Support Parties and the Sewer Warrant Trustee may discuss the Plan and the decision to make or not make the Commutation Election, including making recommendations with respect thereto, with individual holders of Sewer Warrants from and after the date on which the Solicitation Package is served \(or caused to be served\) by the County; and it is further](#)

ORDERED, ADJUDGED and DECREED that the Disclosure Statement, the Plan, the Confirmation Hearing Notice, the Rescission of Deemed Election Notice, the Ballots, and the Notice of Non-Voting Status provide all parties in interest with good and sufficient notice, ~~and~~ complies with the requirements of the due process clause of the Fifth Amendment to the United States Constitution, [and, to the extent applicable, complies with the requirements of the due process clause of the Fourteenth Amendment to the United States Constitution,](#) regarding the Commutation Election, the Rescission of Deemed Election, the Notice of Non-Voting Status, and all other settlement, release, exculpation, and injunction provisions contained in the Plan in compliance with Bankruptcy Rule 3016(c); and it is further

ORDERED, ADJUDGED and DECREED that the Ballot Record Date is **August 6, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the deadline for filing and serving objections, if any, to Claims solely for purposes of determining which Creditors are entitled to vote to accept or reject the Plan (and thus not an applicable deadline or otherwise relevant to any other potential objections regarding any Claim) is **September 13, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that any claimant filing a Rule 3018 Motion must file and serve such motion on the County's counsel so that it is received by the later of (x) **September 27, 2013**, and (y) ten (10) calendar days after the date of service of a notice of objection, if any, to the applicable Claim; and it is further

ORDERED, ADJUDGED and DECREED that the County shall file and serve its response to any Rule 3018 Motion on or before **October 11, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the County shall file and serve the Plan Supplement on or before **September 30, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the Ballot Deadline is **October 7, 2013 at 5:00 p.m. (prevailing Central time)**, and to be counted as a vote to accept or reject the Plan, each Ballot and Master Ballot, as applicable, must be properly executed, completed, and delivered to the Ballot Tabulator so that such Ballot or Master Ballot is actually received by the Ballot Tabulator no later than the Ballot Deadline; and it is further

ORDERED, ADJUDGED and DECREED that objections to confirmation of the Plan, *other than* any objection by a non-debtor party to an executory contract or an unexpired lease to be assumed under the Plan to such assumption or to the proposed Cure Payment it is to receive under the Plan, if any, must: (a) be in writing, (b) specify the name and address of the party objecting, (c) set forth the amount of the objecting party's Claims and any other grounds giving the objecting party standing to object, (d) set forth with particularity the legal and factual

grounds for the objection, (e) be accompanied by the objecting party's evidentiary support for its objection, including declarations made under penalty of perjury and other admissible documentary evidence, and (f) be served on the County and the Master Service List Parties so that they are actually received no later than **4:00 p.m., prevailing Central time, on October 7, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that any objections by a non-debtor party to an executory contract or an unexpired lease to be assumed under the Plan to such assumption or to the proposed Cure Payment it is to receive under the Plan, if any, must (a) be in writing, (b) specify the name and address of the party objecting, (c) set forth with particularity the legal and factual grounds for the objection, (d) be accompanied by the objecting party's evidentiary support for its objection, including declarations made under penalty of perjury and other admissible documentary evidence, and (e) be served on the County and the Master Service List Parties so that they are actually received no later than **4:00 p.m., prevailing Central time, on October 21, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that any objection not timely filed and served will be deemed to be waived, will not be heard by the Court, and will be deemed to be a consent to the Court's entry of an order confirming the Plan; any evidence that is not timely filed and served will be stricken from the record and will not be considered in determining any contested matter at the Confirmation Hearing; and any failure of a non-debtor party to an executory contract or an unexpired lease to be assumed under the Plan to timely file and serve an objection and supporting evidence shall be deemed to waive any and all objections to the proposed assumption (including the proposed Cure Payment, if any) of its contract or lease; and it is further

ORDERED, ADJUDGED and DECREED that the County shall file a consolidated response to objections to confirmation of the Plan, if any, on or before **November 5, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the County shall file and serve the Plan Ballot Summary, the County's documentary evidence in support of confirmation of the Plan, and any supplement to the County's omnibus reply to any objections to confirmation of the Plan on or before **November 8, 2013**; and it is further

ORDERED, ADJUDGED and DECREED that the Confirmation Hearing is scheduled to commence on **November 12, 2013 at 9:00 a.m. (prevailing Central time)** before the Honorable Thomas B. Bennett, United States Bankruptcy Court, 505 20th Street, Birmingham, Alabama 35203, and may be continued from time to time by the Court or the County without further notice other than an announcement of the adjournment at the Confirmation Hearing or any continued hearing; and it is further

ORDERED, ADJUDGED and DECREED that CEDE & Company ("CEDE") and The Depository Trust Company ("DTC") shall provide the County within five (5) Business Days of the date of this Order with a listing of the names and addresses of all Institutional Nominees that as of the Ballot Record Date held, directly or indirectly, any of the Warrants; and it is further

ORDERED, ADJUDGED and DECREED that, with respect to tabulating Master Ballots and ballots sent to a Beneficial Holder of Warrants ("Beneficial Holder Ballots"), the Institutional Nominees shall (i) upon receipt of the Solicitation Packages from the Ballot Tabulator, cause the Solicitation Packages to be forwarded immediately to the Beneficial Holders of the Warrants, (ii) collect individual Beneficial Holder Ballots from the Beneficial Holders accepting or rejecting the Plan and, with respect to Beneficial Holder Ballots from

Beneficial Holders of Sewer Warrants, making or not making the Commutation Election, (iii) summarize the results of all votes cast on the Plan and, if applicable, elections made regarding the Commutation Election, by the Beneficial Holders on and return the applicable Master Ballot to the Ballot Tabulator by the Ballot Deadline, and (iv) provide the Ballot Tabulator with copies of all Beneficial Holder Ballots received by such Institutional Nominee by the Ballot Deadline; and it is further

ORDERED, ADJUDGED and DECREED that, with respect to the distribution and tabulation of Beneficial Holder Ballots applicable to the Class 1-A (Sewer Warrant Claims) and Class 1-B (Bank Warrant Claims and Primary Standby Sewer Warrant Claims) Claims held by the Designated Sewer Plan Support Parties, the County and the Ballot Tabulator are authorized and allowed to utilize the Sewer Plan Support Ballot Procedures (including the form of Designated Sewer Plan Support Parties' Beneficial Ballot cover sheet attached to the Plan Procedures Motion as **Exhibit 4(p)**), the Ballot Tabulator is authorized hereunder to rely upon the terms of each Beneficial Holder Ballot delivered directly to the Ballot Tabulator by a Designated Sewer Plan Support Party and shall, in accordance with the General Procedures, recognize for all purposes such Beneficial Holder Ballots as the valid and controlling Ballots of such Creditors for voting, election, and tabulation purposes without any liability to any party whatsoever, and the County may address any unforeseen balloting issues that may arise with respect to any Ballots cast or to be cast by any of the Sewer Plan Support Parties through a stipulation to be Filed on the docket in the Case; and it is further

ORDERED, ADJUDGED and DECREED that, with respect to Deemed Commuting Holders to which the Rescission of Deemed Election is available, the Institutional Nominees shall (i) as soon as practicable after the Ballot Deadline, cause the Rescission of Deemed

Election Notice (which contains the beneficial and master forms for the Rescission of Deemed Election) to be forwarded to such Deemed Commuting Holders, (ii) collect any Rescission of Deemed Election beneficial forms properly completed and timely returned by any Deemed Commuting Holders, (iii) transcribe the contents of all Rescission of Deemed Election beneficial forms properly completed and timely returned by any Deemed Commuting Holders duly exercising a Rescission of Deemed Election onto a Rescission of Deemed Election master form, (iv) return the Rescission of Deemed Election master form to the Ballot Tabulator by the Rescission Deadline, and (v) return by the Rescission Deadline copies of all properly completed Rescission of Deemed Election beneficial forms to each of the Ballot Tabulator, the County, and Assured; and it is further

ORDERED, ADJUDGED and DECREED that holders of Series 2003-C-9 Through C-10 Sewer Warrants that affirmatively checked the applicable box on their respective Ballot indicating whether or not they were making the Commutation Election on or before the Ballot Deadline will not receive the Rescission of Deemed Election Notice as such holders will not be permitted to exercise any Rescission of Deemed Election; and it is further

ORDERED, ADJUDGED and DECREED that the Clerk of the Court shall establish and maintain a website or webpages accessible through the Court's website, www.alnb.uscourts.gov, through which the Plan, the Disclosure Statement, the Disclosure Statement Order, the Confirmation Hearing Notice, the Plan Procedures Motion, and this Order will be available for review and download by the public; and it is further

ORDERED, ADJUDGED and DECREED that the County is authorized to make non-substantive or immaterial changes to the Plan (in accordance with the terms thereof and

Bankruptcy Code section 942), the Ballots, the Master Ballots, and all related documents (including, without limitation, all exhibits to the Plan Procedures Motion) without further order of the Court, including, without limitation, (i) making ministerial changes to correct typographical and grammatical errors, and making conforming changes among the Disclosure Statement, the Plan, the Ballots, the Master Ballots, and any other materials in the Solicitation Packages prior to mailing as may be appropriate; and (ii) altering the format of such documents to facilitate their prompt and economical distribution (e.g., if applicable, single spacing the documents, removing pleading lines, and the like); and it is further

ORDERED, ADJUDGED and DECREED that the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED, ADJUDGED and DECREED that the County is authorized, in its discretion, to take or refrain from taking any action necessary or appropriate to effectuate the terms of and relief granted pursuant to this Order in accordance with the Plan Procedures Motion and without further order of the Court; and it is further

ORDERED, ADJUDGED and DECREED that this Court retains jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, and enforcement of this Order; and it is further

ORDERED, ADJUDGED and DECREED that this Order is without prejudice to the rights of the County pursuant to Bankruptcy Code section 904, and nothing herein is intended as or shall be deemed to constitute the County's consent to this Court's interference with (1) any of the political or governmental powers of the County, (2) any of the property or revenues of the County, or (3) the County's use or enjoyment of any income-producing property.

DONE AND ORDERED this the _____ day of August, 2013.

UNITED STATES BANKRUPTCY JUDGE