

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

| | | |
|----------------------------------|---|--------------------------------|
| _____ |) | |
| IN RE: |) | |
| |) | |
| JEFFERSON COUNTY, ALABAMA |) | CASE NO.: 11-05736-TBB9 |
| |) | |
| Debtor. |) | CHAPTER 9 |
| |) | |
| _____ |) | |

NOTICE OF FILING COUNTY EXHIBITS C.380 THROUGH C.402

Jefferson County, Alabama, the debtor in the above-referenced case (the “County”), submits the following exhibits for the plan confirmation hearing set by the Court’s *Order Continuing Confirmation Hearing and Extending Related Deadlines* [Docket No. 2169], which is scheduled to commence on November 20, 2013 at 10:00 a.m.:

1. *ISDA Master Agreement* dated as of October 23, 2002 between the County and Lehman Brothers Special Financing Inc. [County’s Exhibit No. **C.380**].
2. *Amendment to the ISDA Master Agreement*, such amendment dated as of September 14, 2006, between the County and Lehman Brothers Special Financing Inc. [County’s Exhibit No. **C.381**].
3. *ISDA Master Agreement* dated as of October 18, 2002, between the County and Bank of America, N.A. [County’s Exhibit No. **C.382**].
4. *Amendment to the ISDA Master Agreement*, such amendment dated as of July 14, 2003, between the County and Bank of America, N.A. [County’s Exhibit No. **C.383**].
5. *ISDA Master Agreement* dated as of May 1, 2004 between the County and Bear Stearns Capital Markets Inc. [County’s Exhibit No. **C.384**].
6. Current draft of the *Trust Indenture for the County’s New Sewer Warrants*, subject to change and revision until duly signed and executed [County’s Exhibit No. **C.385**].



7. Demonstrative¹ copy of the County's *Preliminary Official Statement* Dated November 4, 2013. [County's Exhibit No. **C.386**].
8. *Affidavit of Service of Karen M. Wagner re: 1) Chapter 9 Plan of Adjustment for Jefferson County, Alabama (DATED November 6, 2013); and 2) Notice of Plan Modifications and Hearing Thereon* (Docket No. 2192) [County's Exhibit No. **C.387**].
9. *Affidavit of Service of Karen M. Wagner re: 1) Chapter 9 Plan of Adjustment for Jefferson County, Alabama (DATED November 6, 2013); 2) Motion for Approval Pursuant to the Confirmation Order of Compromise and Settlements and Related Relief with Respect to the Chapter 9 Plan of Adjustment for Jefferson County, Alabama; and 3) Notice of Plan Modifications and Hearing Thereon* (Docket No. 2185) [County's Exhibit No. **C.388**].
10. *Certificate of Service of James B. Bailey re: Order Continuing Confirmation Hearing and Extending Related Deadlines* (Docket No. 2170) [County's Exhibit No. **C.389**].
11. *Certification of Gil Hopenstand with Respect to the Tabulation of Votes on the Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (Docket No. 2201) [County's Exhibit No. **C.390**].
12. *Certification of David Hartie with Respect to the Tabulation of Votes on and Commutation Elections with Respect to the Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (Docket No. 2200) [County's Exhibit No. **C.391**].
13. *Affidavit of Service of David Hartie re Rescission of Deemed Election Materials* (Docket No. 2176) [County's Exhibit No. **C.392**].
14. *Affidavit of Service of David Hartie re: Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (Docket No. 2167) [County's Exhibit No. **C.393**].
15. *Supplemental Affidavit of Service of Gil Hopenstand re: Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (Docket No. 2127) [County's Exhibit No. **C.394**].
16. *Supplemental Affidavit of Service of Stephanie Delgado re: Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (Docket No. 2085) [County's Exhibit No. **C.395**].
17. *Affidavit of Service of David Hartie re: Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (Docket No. 2055) [County's Exhibit No. **C.396**].

¹ This copy is demonstrative only. Individuals desiring a copy of the Preliminary Official Statement may download one at <http://www.munios.com/id.aspx?i=AXOR5IQYr5Gs>.

18. *(Redacted) Affidavit of Service of Gil Hopenstand re: Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013) (Docket No. 2050) [County's Exhibit No. C.397].*
19. *Supplemental Affidavit of Service (Redacted) of Jennifer Grageda re: Notice of (I) Approval of Disclosure Statement, (II) Confirmation Hearing on Chapter 9 Plan of Adjustment, and (III) Procedures and Deadlines Regarding Confirmation of the Plan (Docket No. 2159) [County's Exhibit No. C.398].*
20. *Supplemental Affidavit of Service (Redacted) of Stephanie Delgado re: Notice of (I) Approval of Disclosure Statement, (II) Confirmation Hearing on Chapter 9 Plan of Adjustment, and (III) Procedures and Deadlines Regarding Confirmation of the Plan (Docket No. 2122) [County's Exhibit No. C.399].*
21. *Supplemental Affidavit of Service (Redacted) of Stephanie Delgado re: Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013) (Docket No. 2121) [County's Exhibit No. C.400].*
22. *Affidavit of Service of Karen M. Wagner re: 1) Plan Supplement to Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013); and 2) Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013) (Docket No. 2111) [County's Exhibit No. C.401].*
23. *(Redacted) Affidavit of Service of Karen M. Wagner re: 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 (Docket No. 2056) [County's Exhibit No. C.402].*

Respectfully submitted this 15th day of November, 2013.

/s/ Jennifer H. Henderson

BRADLEY ARANT BOULT CUMMINGS LLP

J. Patrick Darby

Jennifer H. Henderson

One Federal Place

1819 Fifth Avenue North

Birmingham, Alabama 35203

Telephone: (205) 521-8000

Facsimile: (205) 521-8500

Email: pdarby@babbc.com, jhenderson@babbc.com

(Local Currency-Single Jurisdiction)

ISDA®

International Swaps and Derivatives Association, Inc.

MASTER AGREEMENT

dated as of October 23, 2002

LEHMAN BROTHERS SPECIAL FINANCING INC. and JEFFERSON COUNTY, ALABAMA have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement (the "Master Agreement"), which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:—

1. Interpretation

(a) **Definitions.** The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this

Copyright © 1992 by International Swaps and Derivatives Association, Inc.

Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:—

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of branches or offices through which the parties make and receive payments or deliveries.

(d) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:—

(a) **Basic Representations.**

(i) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;

(ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance;

(iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any

Copyright © 1992 by International Swaps and Derivatives Association, Inc.

court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) **Furnish Specified Information.** It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorizations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied

Copyright © 1992 by International Swaps and Derivatives Association, Inc.

on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:—

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below:—

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):—

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

Copyright © 1992 by International Swaps and Derivatives Association, Inc.

(ii) **Credit Event Upon Merger.** If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) **Additional Termination Event.** If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) **Right to Terminate.** If:—

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii), a Credit Event Upon Merger or an Additional Termination Event occurs,

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all

Copyright © 1992 by International Swaps and Derivatives Association, Inc.

Affected Transactions.

(c) ***Effect of Designation.***

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) ***Calculations.***

(i) ***Statement.*** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) ***Payment Date.*** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) ***Payments on Early Termination.*** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss," and a payment method, either the "First Method" or the "Second Method." If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method," as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) ***Events of Default.*** If the Early Termination Date results from an Event of Default:—

(1) ***First Method and Market Quotation.*** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) ***First Method and Loss.*** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) ***Second Method and Market Quotation.*** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by

Copyright © 1992 by International Swaps and Derivatives Association, Inc.

the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss.* If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) *Termination Events.* If the Early Termination Date results from a Termination Event:—

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties:—

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) *Adjustment for Bankruptcy.* In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) *Pre-Estimate.* The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or

Copyright © 1992 by International Swaps and Derivatives Association, Inc.

merger with or into, or transfer of all or substantially all of its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Miscellaneous

(a) *Entire Agreement.* This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) *Amendments.* No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) *Survival of Obligations.* Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) *Remedies Cumulative.* Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) *Counterparts and Confirmations.*

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) *No Waiver of Rights.* A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) *Headings.* The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

9. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

10. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

11. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:—

- (i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and
- (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v)

Copyright © 1992 by International Swaps and Derivatives Association, Inc.

execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

12. Definitions

As used in this Agreement:—

"Additional Termination Event" has the meaning specified in Section 5(b).

"Affected Party" has the meaning specified in Section 5(b).

"Affected Transactions" means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Rate" means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"consent" includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iii).

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Illegality" has the meaning specified in Section 5(b).

Copyright © 1992 by International Swaps and Derivatives Association, Inc.

"law" includes any treaty, law, rule or regulation and "lawful" and "unlawful" will be construed accordingly.

"**Local Business Day**" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"**Loss**" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"**Market Quotation**" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"**Non-default Rate**" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Reference Market-makers" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"Scheduled Payment Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"Set-off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"Settlement Amount" means, with respect to a party and any Early Termination Date, the sum of:—

(a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"Specified Entity" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Terminated Transactions" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"Termination Event" means an Illegality or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

LEHMAN BROTHERS SPECIAL FINANCING INC.

JEFFERSON COUNTY, ALABAMA

By: T. Courtney Jenkins
Name: T. Courtney Jenkins
Title: Vice President
Date: October 23, 2002

By: Gary White
Name: Gary White
Title: President of County Commission
Date: Oct. 29, 2002

SCHEDULE
to the Master Agreement
(1992 Local Currency Single Jurisdiction Master Version)

dated as of October 23, 2002

between

LEHMAN BROTHERS SPECIAL
FINANCING INC., a Delaware
corporation ("Party A")

and

JEFFERSON COUNTY, ALABAMA
a political subdivision of the State of
Alabama ("Party B")

Part 1
Termination Provisions

In this Agreement:

- (a) *"Specified Entity"* shall not apply
- (b) *"Specified Transaction"* will have the meaning specified in Section 12 of this Agreement.
- (c) The *"Cross Default"* provisions of Section 5(a)(vi) of this Agreement, as modified below, will apply to Party A and to Party B. Section 5(a)(vi) of this Agreement is hereby amended by the addition of the following at the end thereof:

"provided, however, that notwithstanding the foregoing, an Event of Default shall not occur under either (1) or (2) above if, as demonstrated to the reasonable satisfaction of the other party, (a) the event or condition referred to in (1) or the failure to pay referred to in (2) is a failure to pay caused by an error or omission of an administrative or operational nature; and (b) funds were available to such party to enable it to make the relevant payment when due; and (c) such relevant payment (together with interest thereon from the due date for such payment until the actual payment date, at the per annum rate used to calculate the amount of such payment) is made within three Business Days following receipt of written notice from an interested party of such failure to pay."

If such provisions apply:

"Specified Indebtedness" means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of any money.

"Threshold Amount" means:

- (i) with respect to Party A, an amount equal to 2% of shareholders' equity (howsoever described) of Lehman Brothers Holdings Inc. ("Holdings") as shown on the most recent annual audited financial statements of Holdings; and
- (ii) with respect to Party B, \$25,000,000.

(d) *The "Credit Event Upon Merger"* provisions of Section 5(b)(ii) will apply to Party A and Party B, amended as follows:

“Credit Event Upon Merger’ shall mean that a Designated Event (as defined below) occurs with respect to a party, any Credit Support Provider of the party or any applicable Specified Entity (any such party or entity, “X”), and such Designated Event does not constitute an event described in Section 5(a)(viii) but the creditworthiness of X, or, if applicable, the successor, surviving or transferee entity of X, is materially weaker than that of X immediately prior to such event. In any such case the Affected Party shall be the party with respect to which, or with respect to the Credit Support of which, the Designated Event occurred, or, if applicable, the successor, surviving or transferee entity of such party. For purposes hereof, a Designated Event means that, after the date hereof:

- (i) X consolidates, amalgamates with or merges with or into, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity (or, without limiting the foregoing, if X is a Government Entity, an entity such as an organization, board, commission, authority, agency or body succeeds to the principal functions of, or powers and duties granted to, X, any Credit Support Provider of X or any Specified Entity of X); or
- (ii) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X or otherwise acquires directly or indirectly the power to control the policy-making decisions of X.”

(c) *The "Automatic Early Termination"* provision of Section 6(a) will not apply to Party A or Party B.

(f) *"Payments on Early Termination"*. For the purpose of Section 6(e) of this Agreement:

- (i) Market Quotation will apply.
- (ii) The Second Method will apply.

(g) *"Termination Currency"* means U.S. Dollars.

(h) There shall be added to Section 5(a) of the Agreement the following Events of Default:

“(ix) Authority; Repudiation. Party B shall cease to have authority to make payments under this Agreement or any Transaction subject to this Agreement, or any government entity having jurisdiction over Party B shall enact any legislation which would have the effect of repudiating this Agreement or any Transaction subject to this Agreement.”

“(x) The obligations of Party B to Party A under this Agreement (other than the obligation to pay amounts payable as a consequence of early termination of one or more Transactions) shall cease to be pari passu, and equally and ratably secured by the pledge of System Revenues, with the obligations to pay debt service on warrants heretofore or hereafter issued under the Covered Indenture (as hereinafter defined).

(i) Section 5 of the Agreement is hereby amended as follows:

(a) Bankruptcy. Section 5(a)(vii)(6) of the Agreement is amended to read in its entirety as follows:

“(6) seeks or becomes subject to the appointment of an administrator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets (regardless of how brief such appointment may be, or whether any obligations are promptly assumed by another entity or whether any other event described in this clause (6) has occurred and is continuing) or, in the case of Party B, there shall be appointed or designated in respect of Party B pursuant to any applicable law, an organization, board, authority, agency, body or entity to monitor, review, oversee, make recommendations to, or declare financial emergencies with respect to, financially distressed local government entities or, there shall be declared or introduced or proposed for or by any legislative or regulatory body with competent jurisdiction over Party B, pursuant to any applicable law, the existence of a state of financial emergency or similar position of financial distress in respect of Party B.”

(b) Merger Without Assumption. Section 5(a)(viii) of the Agreement is hereby amended to read in its entirety as follows:

“(viii) Merger Without Assumption. The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity (or, without limiting the foregoing, if such party is a Government Entity, an entity such as an organization, board, commission, authority, agency or body succeeds to the principal functions of, or powers and duties granted to, such party or any Credit Support Provider of such Party) and, at the time of such consolidation, amalgamation, merger, transfer or succession:

(1) the resulting, surviving, transferee or successor entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving, transferee or successor entity of its obligations under this Agreement.”

(j) **“Additional Termination Event”**. Additional Termination Events will apply. The following shall constitute Additional Termination Events with respect to Party B as the Affected Party:

- (A) the long-term sewer revenue Indebtedness of Party B is rated lower than BBB by Standard & Poor’s Ratings Service, a division of The McGraw-Hill Companies (“S&P”) or lower than Baa2 by Moody’s Investor’s Service, Inc. (“Moody’s”) and Party B has not within 10 days (1) executed and delivered a collateral agreement satisfactory in form and substance to Party A providing for the collateralization of Party B’s obligations under this Agreement or (2) obtained an insurance policy satisfactory in form and substance to Party A by a financial insurer satisfactory to Party A (a “Substitute Credit Provider”) insuring the prompt and timely performance of Party B’s obligations hereunder;
- (B) the long-term sewer revenue Indebtedness of Party B is rated lower than BBB by S&P or lower than Baa3 by Moody’s and Party B has not within 10 days obtained an insurance policy satisfactory in form and substance to Party A by a

Substitute Credit Provider insuring the prompt and timely performance of Party B's obligations hereunder; or

- (C) if Party B amends the Covered Indenture which amendment adversely affects Party A without the consent of Party A.

Part 2
Agreement to Deliver Documents

For the purpose of Sections 3(d) and 4(a) of this Agreement, each party agrees to deliver the following documents:

| Party required to deliver document | Form/Document/Certificate | Date by which to be delivered | Covered by Section 3(d) Representation |
|---|--|--|---|
| Party A and Party B | Evidence of the authority and true signatures of each official or representative signing this Agreement or, as the case may be, a Confirmation, on its behalf. | On or before execution of this Agreement and each Confirmation forming a part of this Agreement. | Yes |
| Party A | A guarantee of Holdings in the form of Exhibit B to this Schedule. | Upon execution of this Agreement. | Yes |
| Party A | Opinion of Counsel to Party A substantially in the form of Exhibit C to this Schedule | On or before execution of this Agreement | No |
| Party B | Covered Indenture (as hereinafter defined.) | On or before execution of this Agreement | Yes |
| Party B | Certified copy of the resolution of Party B's County Commission (or equivalent authorizing documentation) authorizing the execution and delivery of this Agreement and performance of its obligation hereunder, substantially in the form of Exhibit D to this Schedule. | On or before execution of this Agreement | Yes |
| Party B | Opinion of legal counsel substantially in the form attached hereto as Exhibit A. | On or before execution of this Agreement. | No |
| Party B | Annual Report of Party B containing audited, consolidated financial statements certified by the Alabama Department of | As soon as available after the end of each fiscal year of Party B | Yes |

| | | | |
|---------|--|--|-----|
| Party B | <p>Examiners of Public Accounts and prepared in accordance with generally accepted accounting principles in the country in which such party is organized</p> <p>Annual Financial Statements of the System (as defined in the Covered Indenture) containing unaudited, consolidated financial statements of the System's fiscal year in accordance with the provisions of Section 12.2 of the Covered Indenture</p> | As soon as available and in any event within 90 days after the end of each fiscal year of the System | Yes |
| Party B | <p>Annual Report of the System containing audited, consolidated financial statements certified by the Alabama Department of Examiners of Public Accounts in accordance with the provisions of Section 12.2 of the Covered Indenture</p> | As soon as available after the end of each fiscal year of the System | Yes |
| Party B | <p>Additional documentation concerning the opinion of counsel, County Commission resolutions and certificates delivered pursuant to each of the foregoing documents to be delivered as Party A may reasonably request</p> | Promptly upon reasonable request by Party A | Yes |

**Part 3
Miscellaneous**

(a) *Addresses for Notices.* For the purposes of Section 10(a) of this Agreement:

(i) All notices or communications to Party A shall, with respect to a particular Transaction, be sent to the address, telex number, or facsimile number reflected in the Confirmation of that Transaction, and any notice for purposes of Sections 5 or 6 shall be sent to:

Address for notice or communications to Party A:

Address: Lehman Brothers Special Financing Inc.
745 Seventh Avenue, 5th Floor, New York, NY 10019
Attention: Municipal Financial Products - Middle Office
Facsimile No.: 646-758-2939
Telephone No.: 212-526-2240

(ii) All notices or communications to Party B shall be sent to the address, or facsimile number reflected below:

Jefferson County Courthouse
716 Richard Arrington Blvd.
Birmingham, AL 35203
Attention: Director of Finance
Telephone: (205) 325 5055
Facsimile: (205) 325-5841

- (b) **Offices.** Party A, if it enters into a Transaction through an Office other than its head or home office represents to Party B that, notwithstanding the place of booking office or jurisdiction of incorporation or organization, the obligations of Party A are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by Party A on each date on which a Transaction is entered into.
- (c) **Calculation Agent.** The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to the relevant Transaction.
- (d) **Credit Support Document.** The Credit Support Annex attached hereto is a Credit Support Document with respect to Party A and Party B for all purposes hereunder and is incorporated herein by this reference. In the case of Party A, a guarantee of Party A's obligations hereunder in the form annexed hereto as Exhibit B. With respect solely to Party B, the Covered Indenture is a Credit Support Document.
- (e) **Credit Support Provider.**

Credit Support Provider means in relation to Party A: Holdings.

Credit Support Provider means in relation to Party B: Not applicable.
- (f) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to its conflict of laws doctrine).
- (g) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will not apply for the purpose of Section 2(c) with respect to all Transactions under this Agreement, with effect from the date of this Agreement.
- (h) **"Affiliate"** will have the meaning specified in Section 12 of this Agreement.

Part 4 Other Provisions

- (a) **1992 Muni Definitions.** Reference is hereby made to the 1992 ISDA U.S. Municipal Counterparty Definitions (the "1992 Muni Definitions") published by the International Swaps and Derivatives Association, Inc., which is hereby incorporated by reference herein. Any terms used and not otherwise defined herein which are contained in the 1992 Muni Definitions shall have the meaning set forth therein.
- (b) **Additional Representations.**

(i) The first sentence of Section 3 is amended to read in its entirety as follows:

“Each party represents to each other party (which representations will be deemed to be repeated on each date on which a Transaction is entered into and, in the case of the representations in Section 3(a) and 3(e) of this Agreement, at all times until the termination of this Agreement) the following:”

(ii) Section 3 is amended by adding the following subsections (e), (f), (g) and (h) thereto:

(e) Non-Speculation. Party B represents and warrants to Party A that this Agreement has been, and each Transaction hereunder will be, entered into for purposes of hedging against interest rate and investment risks which arise in connection with, or are incidental to, the proper governmental authorities of Party B and not for the purpose of speculation;

(f) No Immunity. Neither party is entitled to claim immunity with respect to itself or its revenues or assets from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings (as defined in Section 11(b) of the Agreement) in the courts of any jurisdiction nor may there be attributed to a party or its property any such immunity (whether or not claimed); except that Alabama Law exempts from levy and sale under any process, judgment or decree all property (real or personal) belonging to an Alabama county and used for county purposes;

(g) Eligible Contract Participant. Such party is an “eligible contract participant” as the term is defined in Section 1a(12) of the Commodity Exchange Act, as amended; and

(h) Source of Payment. The obligations of Party B to Party A under this Agreement (other than the obligation to pay amounts payable as a consequence of early termination of one or more Transactions, are *pari passu*, and equally and ratably secured by the pledge of System Revenues, with the obligation to pay debt service on warrants issued heretofore or hereafter under the Covered Indenture (as hereinafter defined). Termination payments shall be payable solely from System Revenues on a basis directly subordinate only to the payment of the payment of debt service on Parity Securities and payments of Secured Related Obligations (as defined in the Covered Indenture).

(i) Qualified Swap. Transactions undertaken pursuant to this Agreement will, unless the parties agree in writing otherwise, constitute “*Qualified Swaps*” under the terms of the Covered Indenture. Unless the parties otherwise agree in writing, with respect to each Transaction undertaken pursuant to this Agreement, Party B will deliver to the Trustee a written notice (i) stating that it has designated such Transaction as a Qualified Swap (as defined in the Covered Indenture) and (ii) identifying the particular Parity Securities to which such Qualified Swap relates. Each Transaction so designated as a Qualified Swap will be treated as a Secured Related Obligation (as defined in the Covered Indenture), to the end that the obligations of Party B with respect to such Transaction (other than amounts payable by Party B as a consequence of an early termination of such Transaction) may be paid from the Debt Service Fund established by the Covered Indenture and secured by the pledge of System Revenues made in the Covered Indenture.

(iii) Section 3(a)(ii) of this Agreement is hereby amended to read in its entirety as follows:

“(ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action and made all necessary determinations and findings to authorize such execution, delivery and performance;”

(iv) Section 3(b) of this Agreement is hereby amended to read in its entirety as follows:

“(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Incipient Illegality (in the case of Party B) or Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.”

(d) **Additional Agreements.**

(i) **Compliance with Covered Indenture.** Party B will observe, perform and fulfill each provision in the Covered Indenture applicable to it as any of those provisions may be amended, supplemented or modified for purposes of this Agreement with the prior written consent of Party A (the “Incorporated Provisions”), with the effect that Party A will have the benefit of each of the Incorporated Provisions (including, without limitation, covenants, right to consent to certain actions subject to consent under the Covered Indenture and delivery of financial statements and other notices and information). In the event the Covered Indenture ceases to be in effect prior to the termination of this Agreement, the Incorporated Provisions (other than those provisions requiring payments in respect of bonds, notes, warrants or other similar instruments issued under the Covered Indenture) will remain in full force and effect for purposes of this Agreement as though set forth herein until such date on which all of the obligations of Party B under this Agreement have been fully satisfied. The Incorporated Provisions are hereby incorporated by reference and made a part of this Agreement to the same extent as if such provisions were set forth herein. For purposes of this Agreement, the Incorporated Provisions shall be construed as though (i) all references therein to any party making loans, extensions of credit or financial accommodations thereunder or commitments therefor (the “Financings”) were to Party A and (ii) to the extent that such Incorporated Provisions are conditioned on or relate to the existence of such Financing or Party B having any obligations in connection therewith, all references to such Financings or obligations were to the obligations of Party B under this Agreement; provided, however, that the obligations of Party B under this Agreement shall not be taken into account in determining whether or not Party B is entitled to issue Additional Parity Securities under the Covered Indenture, except to the extent that any Transaction has been designated as a Qualified Swap under the Covered Indenture and, as such, shall be taken into account in the calculation of Maximum Annual Debt Service on any related Parity Securities as set forth in the Covered Indenture. Any amendment, supplement, modification or waiver of any of the Incorporated Provisions without the prior written consent of Party A shall have no force and effect with respect to this Agreement. Any amendment supplement or modification for which such consent is obtained shall be part of the Incorporated Provisions for purposes of this Agreement.

(ii) **Notice of Incipient Illegality.** If an Incipient Illegality occurs, Party B will, promptly upon becoming aware of it, notify Party A, specifying the nature of that Incipient Illegality and will also give such other information about that Incipient Illegality as Party A may reasonably require.

(e) **Relationship Between Parties.** Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

(i) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

(iii) **Status of Parties.** The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.

(f) **Waiver of Jury Trial.** EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION AND ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE OTHER PARTY'S ENTERING INTO THIS AGREEMENT.

(g) **Consent to Recording.** Each Party (i) consents to the recording of all telephone conversations between trading, operations and marketing personnel of the parties and their Affiliates in connection with this Agreement or any potential Transaction; (ii) agrees to give any required notice to such personnel of it and its Affiliates that their calls will be recorded; and (iii) agrees that in any Proceedings, it will not object to the introduction of such recordings in evidence on grounds that consent was not properly given.

(h) **Disclaimer of General Liability.** Any obligation of Party B under this Agreement shall be payable solely from the System Revenues (as defined in the Covered Indenture). In no event shall any obligation of Party B under this Agreement be treated or regarded as a general obligation or pledge of the full faith and credit of Party B or a claim on the taxing power of Party B or a charge against any debt limit imposed on Party B by the constitution and laws of the State of Alabama.

(i) **Additional Definitions.** Section 12 is hereby amended by adding the following definitions:

"Bonds" mean the \$839,500,000 Sewer Revenue Refunding Warrants, Series 2002-C issued pursuant to the Covered Indenture.

"Covered Indenture" means the Trust Indenture between Jefferson County, Alabama and The Bank of New York (as Successor Trustee to AmSouth Bank of Alabama), dated as of February 1, 1997 as amended and supplemented from time to time.

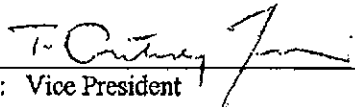
"Government Entity" means Party B.

"Incipient Illegality" means (a) the enactment by any legislative body with competent jurisdiction over Party B of legislation which, if adopted as law, would render unlawful (i) performance by Party B of any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of a Transaction or the compliance by Party B with any other material provision of this Agreement relating to such Transaction or (ii) the performance by Party B or a Credit Support Provider of Party B of any contingent or other obligation which Party B (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction, (b) any official assertion in any proceeding, forum or action by Party B, in respect of Party B, that renders performance under this Agreement or similar agreements unlawful or (c) the occurrence with respect to Party B or any Credit Support Provider of Party B of any event that constitutes an Illegality."

"Indebtedness" means the Outstanding Parity Securities (as defined in the Covered Indenture).

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

LEHMAN BROTHERS SPECIAL FINANCING INC.

By: 
Title: Vice President

JEFFERSON COUNTY, ALABAMA

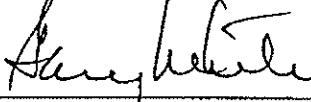
By: 
Title: President of
County Commission

EXHIBIT A
FORM OF
LEGAL OPINION

[Date]

Lehman Brothers Special Financing Inc.
New York, NY

Lehman Brothers Holdings Inc.
New York, NY

Dear Sirs:

This opinion is delivered to you pursuant to Part [] of the Schedule to the ISDA Master Agreement (such Master Agreement, including the Schedule and any exhibits and addenda thereto, the "Agreement") dated as of _____ between Lehman Brothers Special Financing Inc. ("Party A") and _____ ("Party B"). Terms defined in the Agreement and used but not defined herein have the meanings given to them in the Agreement.

[I/We] have acted as counsel to Party B in connection with the [Swap/Cap/Option, etc.] transaction entered into by Party A and Party B on the date hereof pursuant to the Agreement, the related Confirmation exchanged [on the date hereof] and [add other documents, if any] (the Agreement, such Confirmation [and such documents], collectively, the "Documents," and such transaction, the "Transaction"). In that connection we have examined such documents and have investigated such matters of fact as we have deemed necessary or appropriate for the opinions expressed herein. In such examination, [I/we] have assumed the genuineness of all signatures (other than those of officers of Party B on the Documents), the authenticity of all documents submitted to us as originals, and the conformity to authentic original documents of all documents submitted to us as copies.

[I/We] have been furnished with, and with your consent have relied upon, certificates of officer[s] of Party B with respect to certain factual matters, copies of which are attached hereto. In addition, [I/we] have obtained and relied upon such certificates and assurances from public officials as [I/we] have deemed necessary.

[I am/We are] opining herein as to the effect on the subject transactions only of the federal laws of the United States, the [internal] laws of the State of Alabama, and [I/we] express no opinion with respect to the applicability thereto, or the effect thereon, of the laws of any other jurisdiction or as to any matters of municipal law or the laws of any other local agencies within any state.

Based on the foregoing and upon such investigations as we have deemed necessary, we are of the opinion that, as of the date hereof:

1. Party B is a validly existing political subdivision of the State of Alabama.
2. Party B has all requisite power and authority to enter into each of the Documents and to perform its obligations thereunder.
3. The execution, delivery and performance of each of the Documents by Party B and the entering into the Transaction by Party B have been and remain duly authorized by all necessary official action of Party B and do not:

(i) violate any federal or Alabama law, regulation or rule or any court or administrative writ, order, judgment or decree binding on or applicable to Party B or its property.

(ii) result in a breach of or default under any material contract, instrument, agreement or other document to which Party B is a party or by which it or its property is bound (collectively, the "Party B Agreements").

4. Each of the Documents has been duly executed and delivered by Party B.

5. All consents, authorizations, registrations, declarations, filings and approvals (including, without limitation, exchange control approvals) required under federal or Alabama law, regulation or rule for the execution and delivery by Party B of any of the Documents, the entry into Transactions by Party B and the performance by Party B of its obligations under the Documents have been obtained and remain in full force and effect, all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required for such execution, delivery, entry into or performance.

6. Each of the Documents is a valid and binding obligation of Party B, enforceable against Party B in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization and similar laws affecting creditors' rights generally and to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law), provided, however, that we express no opinion with respect to the enforceability of those provisions of the Documents regarding governing law, submission to the jurisdiction of particular courts of the State of Alabama or waiver of the right to trial by jury.

7. There is no action, suit or proceeding pending or, to the best of [my/our] knowledge after due investigation, threatened against or affecting Party B before any court or arbitrator or any governmental body, agency or official which, if adversely decided, would materially adversely affect the ability of Party B to perform its obligations under any of the Documents.

8. Party B is subject to suit with respect to its obligations under the Master Agreement and each Confirmation and neither Party B nor any of its properties and assets has any right to immunity from suit or attachment in aid of execution or other legal process on the grounds of sovereignty or otherwise, except that Alabama law exempts from levy and sale under any process, judgment or decree all property (real or personal) belonging to an Alabama county and used for county purposes.

9. [Opinions for enforceability of Covered Indenture and security for Party B's obligations].

Yours faithfully,

EXHIBIT B to Schedule

GUARANTEE OF LEHMAN BROTHERS HOLDINGS INC.

LEHMAN BROTHERS SPECIAL FINANCING INC. ("Party A") and _____ ("Party B") have entered into a Master Agreement dated as of _____, pursuant to which Party A and Party B have entered and/or anticipate entering into one or more transactions (each a "Transaction"), the Confirmation of each of which supplements, forms part of, and will be read and construed as one with, the Master Agreement (collectively referred to as the "Agreement"). This Guarantee is a Credit Support Document as contemplated in the Agreement. For value received, and in consideration of the financial accommodation accorded to Party A by Party B under the Agreement, LEHMAN BROTHERS HOLDINGS INC., a corporation organized and existing under the laws of the State of Delaware ("Guarantor"), hereby agrees to the following:

(a) Guarantor hereby unconditionally guarantees to Party B the due and punctual payment of all amounts payable by Party A under each Transaction when and as Party A's obligations thereunder shall become due and payable in accordance with the terms of the Agreement. In case of the failure of Party A to pay punctually any such amounts, Guarantor hereby agrees, upon written demand by Party B, to pay or cause to be paid any such amounts punctually when and as the same shall become due and payable.

(b) Guarantor hereby agrees that its obligations under this Guarantee constitute a guarantee of payment when due and not of collection.

(c) Guarantor hereby agrees that its obligations under this Guarantee shall be unconditional, irrespective of the validity, regularity or enforceability of the Agreement against Party A (other than as a result of the unenforceability thereof against Party B), the absence of any action to enforce Party A's obligations under the Agreement, any waiver or consent by Party B with respect to any provisions thereof, the entry by Party A and Party B into additional Transactions under the Agreement or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor (excluding the defense of payment or statute of limitations, neither of which are waived); provided, however, that Guarantor shall be entitled to exercise any right that Party A could have exercised under the Agreement to cure any default in respect of its obligation under the Agreement or to set off, counterclaim or withhold payment in respect of any Event of Default or potential Event of Default in respect of Party B or any Affiliate, but only to the extent such right is provided to Party A under the Agreement. The Guarantor acknowledges that Party A and Party B may from time to time enter into one or more Transactions pursuant to the Agreement and agrees that the obligations of the Guarantor under this Guarantee will upon the execution of any such Transaction by Party A and Party B extend to all such Transactions without the taking of further action by the Guarantor.

(d) Guarantor shall be subrogated to all rights of Party B against Party A in respect of any amounts paid by Guarantor pursuant to the provisions of this Guarantee; provided, however, that Guarantor shall not be entitled to enforce or to receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by Party A under the Agreement, shall have been paid in full.

(e) Guarantor further agrees that this Guarantee shall continue to be effective or be reinstated, as the case may be, if at any time, payment, or any part thereof, of any obligation or interest thereon is rescinded or must otherwise be restored by Party B upon an Event of Default as set forth in Section 5(a)(vii) of the Agreement affecting Party A or Guarantor.

EXHIBIT B

Page 1

(f) Guarantor hereby waives (i) promptness, diligence, presentment, demand of payment, protest, order and, except as set forth in paragraph (a) hereof, notice of any kind in connection with the Agreement and this Guarantee, or (ii) any requirement that Party B exhaust any right to take any action against Party A or any other person prior to or contemporaneously with proceeding to exercise any right against Guarantor under this Guarantee.

Guarantor makes the same representations to and agreements with Party B as those made by Party A pursuant to Sections 3 and 4 of the Agreement, at the times set forth therein, except that references therein to "the party" will be deemed to be references to "the Guarantor" and references therein to "the Agreement" will be deemed to be references to "the Guarantee." Section 11 of the Agreement is incorporated by reference in this Guarantee except that references therein to "the Agreement" will be deemed to be references to "the Guarantee."

This Guarantee shall be governed by and construed in accordance with the laws of the State of New York, without reference to choice of law doctrine. All capitalized terms not defined in this Guarantee are defined in the Agreement.

Any notice hereunder will be sufficiently given if given in accordance with the provisions for notices under the Agreement and will be effective as set forth therein. All notices hereunder shall be delivered to Lehman Brothers Holdings Inc., Attention: Corporate Counsel, at 399 Park Avenue, 11th Floor, New York, NY 10020 with a copy to Lehman Brothers Special Financing Inc., Attention: Municipal Financial Products - Middle Office at 745 Seventh Avenue, 5th Floor, New York, NY 10019 (Fax: 646-758-2939).

IN WITNESS WHEREOF, Guarantor has caused this Guarantee to be executed in its corporate name by its duly authorized officer as of the date of the Agreement.

LEHMAN BROTHERS HOLDINGS INC.

By: _____
Name:
Title:

EXHIBIT B
Page 2

EXHIBIT C to Schedule

[Form of Opinion of Counsel to
Lehman Brothers Special Financing Inc. and
Lehman Brothers Holdings Inc.]

[Date]

[Counterparty]

Ladies and Gentlemen:

I have acted as counsel to Lehman Brothers Special Financing Inc., a Delaware corporation ("Party A") and Lehman Brothers Holdings Inc., a Delaware corporation ("Guarantor"), and am familiar with matters pertaining to the execution and delivery of the Master Agreement (the "Master Agreement") dated as of _____ between Party A and _____ ("Party B") and the guarantee of Guarantor (the "Guarantee") delivered in connection with the Master Agreement. The Master Agreement is to be supplemented by a confirmation of a transaction to be entered into by Party A and Party B on _____ (the "Confirmation") and the Master Agreement together with such Confirmation shall constitute one agreement.

In connection with this opinion, I have examined, or have had examined on my behalf, an executed copy of each of the Master Agreement, the Guarantee, certificates and statements of public officials and officers of Party A and Guarantor and such other agreements, instruments, documents and records as I have deemed necessary or appropriate for the purposes of this opinion.

Based upon the foregoing but subject to the assumptions, exceptions, qualifications and limitations hereinafter expressed, I am of the opinion that:

1. Each of Party A and Guarantor is a corporation duly incorporated, validly existing and in good standing under the laws of Delaware.
2. The execution, delivery and performance of the Master Agreement, in the case of Party A, and the Guarantee, in the case of Guarantor, are within its corporate power, have been duly authorized by all necessary corporate action and do not conflict with any provision of its certificate of incorporation or by-laws.
3. Each of the Master Agreement, in the case of Party A, and the Guarantee, in the case of Guarantor, has been duly executed and delivered and constitutes, a legal, valid and binding obligation, enforceable against it in accordance with its terms.

The foregoing opinions are subject to the following assumptions, exceptions, qualifications and limitations:

A. My opinion in paragraph 3 above is subject to the effect of any bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally (including, without limitation, the effect of statutory or other laws regarding fraudulent or other similar transfers) and general principles of equity, regardless of whether enforceability is considered in a proceeding

EXHIBIT C

Page 1

in equity or at law.

B. I am a member of the Bar of the State of New York and render no opinion on the laws of any jurisdiction other than the laws of the State of New York, the United States of America and the General Corporation Law of the State of Delaware.

C. My opinions are limited to the present laws and to the facts as they presently exist. I assume no obligation to revise or supplement this opinion should the present laws of the jurisdictions referred to in paragraph B above be changed by legislative action, judicial decision or otherwise.

D. This letter is rendered to you in connection with the Master Agreement and the Guarantee and the transactions related thereto and may not be relied upon by any other person or by you in any other context or for any other purpose. This letter may not be quoted in whole or in part, nor may copies thereof be furnished or delivered to any other person, without the prior written consent of Party A and Guarantor, except that you may furnish copies hereof (i) to your independent auditors and attorneys, (ii) to any United States, state or local authority having jurisdiction over you or over Party A or Guarantor, (iii) pursuant to the order of any legal process of any court of competent jurisdiction or any governmental agency, and (iv) in connection with any legal action arising out of the Master Agreement or the Guarantee.

E. I have assumed with your permission (i) the genuineness of all signatures by each party other than Party A or Guarantor, (ii) the authenticity of document submitted to me as originals and the conformity to authentic original documents of all documents submitted to me as copies, and (iii) the due execution and delivery, pursuant to due authorization, of the Master Agreement by each party other than Party A.

The foregoing opinions are given on the express understanding that the undersigned is an officer of Lehman Brothers Inc. and shall in no event incur any personal liability in connection with the said opinions.

Very truly yours,

EXHIBIT C
Page 2

EXHIBIT D to Schedule

Form of Resolutions

RESOLVED that (i) _____ (“_____”) enter into interest rate swap and any similar transactions and (ii) the form, terms and provisions of the Master Agreement (the “Agreement”) dated as of _____, between Lehman Brothers Special Financing Inc. (“Lehman”) and _____, in the form previously presented to (with such changes, not inconsistent with the intent of these resolutions and the intent of the Board of Directors as the officer(s) executing the same, as evidenced by their execution thereof, shall deem necessary or desirable), and the actions contemplated thereby (including the entry by _____ into Transactions with Lehman evidenced by confirmations thereof) be, and they hereby are, in all respects approved, authorized, adopted, ratified and confirmed.

RESOLVED that _____ is hereby authorized to enter into the Agreement, in substantially the form presented to this meeting and, from time to time, one or more interest rate swap transactions and agreements terminating any such interest rate swap transaction, pursuant to the Agreement and the documents (each a “Confirmation”) exchanged between the parties confirming such interest rate swap transactions. The terms of each interest rate swap transaction, including interest rate, term, Notional Amount (as defined in the Agreement) and options as to commencement and termination of payments, and each termination agreement shall be as described in the Agreement and as provided in the related Confirmation, as approved from time to time by the officers of _____ authorized to execute the Confirmation. The aggregate Notional Amount, as defined in the Agreement, of such interest rate swap transactions outstanding at any one time, net of offsetting interest rate swap transactions, shall not exceed \$ _____ and each such interest rate swap transaction shall terminate not exceeding _____ years after its effective date. The aggregate Notional Amount of all such interest rate swap transactions as of any time shall be determined on a net basis, i.e., where any such transaction is entered into to offset or reverse an earlier transaction, to the extent of the offsetting or reversing effect, the Notional Amounts of such offsetting or reversing interest rate swap transactions shall not be included in the aggregate total.

RESOLVED that the actions contemplated in the Agreement, and each Confirmation, are hereby in all respects approved, authorized, adopted, ratified and confirmed.

RESOLVED that all officers or officials of _____ be, and each of them hereby is, authorized to execute and deliver (i) the Agreement in the name and on behalf of _____ and if necessary or advisable under its corporate seal (which may be attested by the [Secretary or any Assistant Secretary or the equivalent thereof] of) or otherwise and (ii) such other agreements and documents as are contemplated by the Agreement or are otherwise necessary in connection with entering into interest rate swap and any similar transactions, as any such officer or official shall deem appropriate, including without limitation, officer certificates, legal opinions and credit support documents.

RESOLVED that all officers or officials of _____ and its agents and counsel be, and each of them hereby is, authorized to take all such further actions, to execute and deliver such further instruments and documents in the name and on behalf of _____ and if necessary or advisable under its corporate seal (which may be attested by the [Secretary or any Assistant Secretary or the equivalent thereof] of _____) or otherwise to pay all such expenses as in his judgment shall be necessary or advisable in order fully to carry out the purposes of the foregoing resolutions.

RESOLVED that all actions previously taken or that will be taken by any director, officer, official, employee or agent of _____ in connection with or related to the matters set forth in or reasonably contemplated by the foregoing resolutions be, and each of them hereby is, adopted, ratified, confirmed and approved in all respects as the acts and deeds of _____.

EXHIBIT E to Schedule

Officer's Certificate

The undersigned the [Chief Executive Officer] [Chief Financial Officer] of _____ (“
”) hereby certifies in connection with the Master Agreement (the “Master Agreement”) dated as of
_____, between Lehman Brothers Special Financing Inc. (“Lehman”) and _____ that:

- (a) _____ has taken all action required to be taken to ensure that the Master Agreement and any Confirmation entered into or to be entered into, and the Transactions contemplated thereby, are authorized under and comply in all respects with [specify statutory and/or regulatory authority] (the “Statute”), [its charter and/or its by-laws], including,

[set forth any actions required by the Statute to be taken];

- (ii) _____ is entering into the Master Agreement and any Transactions entered into or to be entered into thereunder, for hedging purposes and not for the purpose of speculation; and

- (iii) _____ meets all the requirements of the Statute not referred to above including:

[set forth any requirements of the Statute not referred to above, such as “_____ is entering into the Transaction in connection with or incidental to the sale and issuance of bonds”].

Capitalized terms used but not defined herein shall have the respective meanings ascribed to such terms in the Master Agreement.

IN WITNESS WHEREOF, this Certificate has been executed as of this _____ day of _____.

ISDA[®]

International Swaps and Derivatives Association, Inc.

CREDIT SUPPORT ANNEX

to the Schedule to the

ISDA MASTER AGREEMENT

dated as of October 23, 2002

between

LEHMAN BROTHERS SPECIAL FINANCING INC. and JEFFERSON COUNTY, ALABAMA

("Party A")

("Party B")

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party. Accordingly, the parties agree as follows:

Paragraph 1. Interpretation

(a) **Definitions and Inconsistency.** Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) **Secured Party and Pledgor.** All references in this Annex to the "Secured Party" will be to either party when acting in that capacity and all corresponding references to the Pledgor will be to the other party when acting in that capacity; *provided, however*, that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

Paragraph 2. Security Interest

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

Paragraph 3. Credit Support Obligations

(a) **Delivery Amount.** Subject to Paragraphs 4 and 5, upon demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "Delivery Amount" applicable to the Pledgor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) **Return Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "Return Amount" applicable to the Secured Party for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party

exceeds

(ii) the Credit Support Amount.

"Credit Support Amount" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions

(a) **Conditions Precedent.** Each Transfer obligation of the Pledgor under Paragraphs 3 and 5 and of the Secured Party under Paragraphs 3, 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) **Transfer Timing.** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) **Calculations.** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph

6(d), following the date of calculation).

(d) ***Substitutions.***

(i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, Transfer to the Secured Party substitute Eligible Credit Support (the "Substitute Credit Support"); and

(ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); *provided* that the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

Paragraph 5. Dispute Resolution

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction);

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.

Paragraph 6. Holding and Using Posted Collateral

(a) **Care of Posted Collateral.** Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) **Eligibility to Hold Posted Collateral; Custodians.**

(i) **General.** Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) **Failure to Satisfy Conditions.** If the Secured Party or its Custodian fails to satisfy conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) **Liability.** The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) **Use of Posted Collateral.** Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) **Distributions and Interest Amount.**

(i) **Distributions.** Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of

calculation will be deemed to be a Valuation Date for this purpose).

(ii) **Interest Amount.** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

Paragraph 7. Events of Default

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

- (i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;
- (ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or
- (iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

Paragraph 8. Certain Rights and Remedies

(a) **Secured Party's Rights and Remedies.** If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

- (i) all rights and remedies available to a secured party under applicable law with respect to Posted Collateral held by the Secured Party;
- (ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;
- (iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and
- (iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily

in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required under applicable law and cannot be waived.

(b) **Pledgor's Rights and Remedies.** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

(i) the Pledgor may exercise all rights and remedies available to a Pledgor under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;

(iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and

(iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:

(A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) **Deficiencies and Excess Proceeds.** The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) **Final Returns.** When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

Paragraph 9. Representations

Each party represents to the other party (which representation will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

(i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;

(ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Secured Party hereunder, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2;

(iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control

of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest); and

(iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.

Paragraph 10. Expenses

(a) **General.** Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.

(b) **Posted Credit Support.** The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c), except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).

(c) **Liquidation/Application of Posted Credit Support.** All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

Paragraph 11. Miscellaneous

(a) **Default Interest.** A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obliged to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that the Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(b) **Further Assurances.** Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.

(c) **Further Protection.** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the security interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).

(d) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(e) **Demands and Notices.** All demands and notices given by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.

(f) *Specifications of Certain Matters.* Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

Paragraph 12. Definitions

As used in this Annex:—

“*Cash*” means the lawful currency of the United States of America.

“*Credit Support Amount*” has the meaning specified in Paragraph 3.

“*Custodian*” has the meaning specified in Paragraphs 6(b)(i) and 13.

“*Delivery Amount*” has the meaning specified in Paragraph 3(a).

“*Disputing Party*” has the meaning specified in Paragraph 5.

“*Distributions*” means, with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

“*Eligible Collateral*” means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

“*Eligible Credit Support*” means Eligible Collateral and Other Eligible Support.

“*Exposure*” means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; *provided* that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of “Market Quotation”).

“*Independent Amount*” means, with respect to party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

“*Interest Amount*” means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

- (x) the amount of Cash on that day; multiplied by
- (y) the Interest Rate in effect for that day; divided by
- (z) 360.

“*Interest Period*” means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"Interest Rate" means the rate specified in Paragraph 13.

"Local Business Day," unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

"Minimum Transfer Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Notification Time" has the meaning specified in Paragraph 13.

"Obligations" means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

"Other Eligible Support" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Other Posted Support" means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

"Pledgor" means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

"Posted Collateral" means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

"Posted Credit Support" means Posted Collateral and Other Posted Support.

"Recalculation Date" means the Valuation Date that gives rise to the dispute under Paragraph 5; *provided, however,* that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the "Recalculation Date" means the most recent Valuation Date under Paragraph 3.

"Resolution Time" has the meaning specified in Paragraph 13.

"Return Amount" has the meaning specified in Paragraph 3(b).

"Secured Party" means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

"Specified Condition" means, with respect to a party, any event specified as such for that party in Paragraph 13.

"Substitute Credit Support" has the meaning specified in Paragraph 4(d)(i).

"Substitution Date" has the meaning specified in Paragraph 4(d)(ii).

"Threshold" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Transfer" means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

(i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;

(ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;

(iii) in the case of securities that can be paid or delivered in book-entry, the giving of written instruments to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and

(iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.

“Valuation Agent” has the meaning specified in Paragraph 13.

“Valuation Date” means each date specified in or otherwise determined pursuant to Paragraph 13.

“Valuation Percentage” means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

“Valuation Time” has the meaning specified in Paragraph 13.

“Value” means for any Valuation Date or other date for which Value is calculated, and subject to Paragraph 5 in the case of a dispute, with respect to:

(i) Eligible Collateral or Posted Collateral that is:

(A) Cash, the amount thereof; and

(B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;

(ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and

(iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.

Paragraph 13. Elections and Variables

(a) **Security Interest for "Obligations."** The term "**Obligations**" as used in this Annex includes the following additional obligations:

With respect to Party A: None
With respect to Party B: None

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

(A) "**Delivery Amount**" has the meaning specified in Paragraph 3(a).

(B) "**Return Amount**" has the meaning specified in Paragraph 3(b).

(C) "**Credit Support Amount**" has the meaning specified in Paragraph 3.

(ii) **Eligible Collateral.** The following items will qualify as "**Eligible Collateral**" for Party A:

| | Valuation Percentage |
|--|---------------------------------|
| (A) Cash (U.S. Dollars) | 100% |
| (B) U.S. Treasury Obligations and U.S. Government Agency Fixed Rate Fixed Maturity Securities, and U.S. Government Agency Single Class Mortgage-Backed Securities, having, in each case, remaining stated maturity as of the relevant Valuation Date of not more than one year | 99.5% |
| (C) U.S. Treasury Obligations and U.S. Government Agency Fixed Rate Fixed Maturity Securities, and U.S. Government Agency Single Class Mortgage-Backed Securities, having, in each case, remaining stated maturity as of the relevant Valuation Date of more than one year but not more than 5 years | 98 % |
| (D) U.S. Treasury Obligations and U.S. Government Agency Fixed Rate Fixed Maturity Securities, and U.S. Government Agency Single Class Mortgage-Backed Securities, having, in each case, remaining stated maturity as of the relevant Valuation Date of more than 5 years | 95% |
| (E) U.S. Treasury STRIPS | 90% |

For purposes of this Paragraph 13(b)(ii):

(I) A "U.S. Treasury Obligation" means a negotiable obligation issued by the United States Treasury Department which meets all of the requirements numbered (1) through (4) of the definition of "U.S. Government Agency Fixed Rate Fixed Maturity Security". (However, for purposes of this Paragraph 13(b)(ii), a "U.S. Treasury Obligation" does not include "U.S. Treasury STRIPS", as defined hereinbelow.)

(II) "U.S. Treasury STRIPS" means securities which are interest components or principal components stripped from U.S. Treasury Obligations (as defined hereinabove) under the program of the United States Department of Treasury called "Separate Trading of Registered Interest and Principal Securities".

(iii) **Other Eligible Support.** The following items will qualify as "**Other Eligible Support**" for the party specified: None

(iv) **Thresholds.**

(A) "**Independent Amount**" means with respect to Party A: \$ 0
"**Independent Amount**" means with respect to Party B: Not applicable.

(B) "**Threshold**" means:
With respect to Party A: zero.

With respect to Party B: Not applicable.

(C) "**Minimum Transfer Amount**" means with respect to Party A and Party B \$100,000; provided, however, that if an Event of Default has occurred and is continuing with respect to a party, the Minimum Transfer Amount with respect to the Defaulting Party shall be zero.

(D) **Rounding.** The Delivery Amount and the Return Amount will be rounded up and down to the nearest integral multiple of \$10,000, respectively.

(c) **Valuation and Timing.**

(i) "**Valuation Agent**" means Party A.

(ii) "**Valuation Date**" means the first and fifteenth calendar day of each calendar month or, if such day does not fall on a Local Business Day, then the next following day that is a Local Business Day plus any two (2) additional Local Business Days during each month selected by a party hereto.

- (iii) **“Valuation Time”** means 1:00 p.m., New York time (or earlier in the day if the markets relevant to such determination end business earlier on such day); provided that the calculations of Value and Exposure will be made as of approximately the same time on the same date.
- (iv) **“Notification Time”** means 3:00 p.m. New York time on a Local Business Day.
- (d) **Conditions Precedent and Secured Party’s Rights and Remedies.** The following Termination Event will be a **“Specified Condition”** for both parties: Illegality and Additional Termination Event.
- (c) **Substitution.**
 - (i) **“Substitution Date”** means the Local Business Day in New York on which the Secured Party is able to confirm irrevocable receipt of the Substitute Credit Support, provided that (x) such receipt is confirmed before 3:00 p.m. (New York time) on such Local Business Day in New York and (y) the Secured Party has received, before 1:00 p.m. (New York time) on the immediately preceding Local Business Day in New York, the notice of substitution described in Paragraph 4(d)(i).
 - (ii) **Consent.** If specified here as applicable, then Pledgor must obtain the Secured Party’s consent for any substitution pursuant to Paragraph 4(d): N/A.
- (f) **Dispute Resolution.**
 - (i) **“Resolution Time”** means 1:00 p.m., New York time, on the Local Business Day following the date on which the notice of the dispute is given under Paragraph 5.
 - (ii) **Value.** For the purpose of Paragraphs 5(i)(C) and 5(ii), the Value of Posted Credit Support will be calculated as follows: for Cash, the U.S. dollar value thereof, and for each item of Eligible Collateral (except for Cash), an amount in U.S. dollars equal to the product of (i) either (A) the bid price for such security quoted on such day by a principal market-maker for such security selected in good faith by the Secured Party or (B) the most recent publicly available bid price for such security as reported by a quotation service or in a medium selected in good faith and in a commercially reasonable manner by Secured Party, multiplied by (ii) the percentage figure listed in Paragraph 13(b)(ii) hereof with respect to such security.
 - (iii) **Alternative.** The provision of Paragraph 5 will apply.
- (g) **Holding and Using Posted Collateral.**
 - (i) **Eligibility to Hold Posted Collateral; Custodians.** Party B and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); *provided* that the following conditions applicable to it are satisfied:
 - (A) Party B is not a Defaulting Party.
 - (B) Any Custodian appointed by a party must be a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, having assets of at least \$10 billion and a long term debt or deposit rating of at least “A3” from Moody’s and “A-” from S&P.

- (C) Posted Collateral may only be held in one or more accounts in the United States and any account established by Party B or its Custodian to hold Posted Collateral shall be established and maintained for the sole purpose of receiving deliveries of and holding Posted Collateral, each of which accounts may include property of other parties but will bear a title indicating the Secured Party's interest in said account and the Posted Collateral in such account. In addition the Secured Party may direct the Pledgor to transfer or deliver Eligible Collateral directly into the Secured Party's Collateral Account(s). If otherwise qualified, the Secured Party may act as such Custodian and the Secured Party may move the Collateral Accounts from one such Custodian to another upon reasonable notice to the Pledgor. The Secured Party shall cause statements concerning the Posted Collateral transferred or delivered by the Pledgor to be sent to the Pledgor on request, which may not be made more frequently than once in each calendar month.
- (D) If Party B itself or a Custodian appointed by it at any time may not hold Posted Collateral consistent with this Paragraph 13(g) or elects not to do so, such party shall promptly give notice to the other party.

Initially, the *Custodian* for Party A is: N/A.

Initially, the *Custodian* for Party B is: To be advised.

- (ii) ***Use of Posted Collateral.*** The provisions of Paragraph 6(c) will not apply to Party B.
- (h) ***Distributions and Interest Amount.***
- (i) ***Interest Rate.*** The "*Interest Rate*" will be the rate per annum equal to the overnight Federal Funds Rate for each day cash is held by the Secured Party as reported In Federal Reserve Publication H.15-519.
- (ii) ***Transfer of Interest Amount.*** The Transfer of the Interest Amount will be made within 3 Local Business Days after the last Local Business Day of each calendar month.
- (iii) ***Alternative to Interest Amount.*** The provisions of Paragraph 6(d)(ii) will apply.
- (i) ***Additional Representation(s).*** None.
- (j) ***Other Eligible Support and Other Posted Support.***
- (i) "*Value*" shall have no meaning with respect to Other Eligible Support.
- (ii) "*Transfer*" shall have no meaning with respect to Other Eligible Support.
- (k) ***Demands and Notices.*** All demands, specifications and notices made by a party to this Annex will be made pursuant to the Notices Section of this Agreement.
- (l) ***Addresses for Transfers.***

Party A:

- (i) In the case of cash, by wire transfer of immediately available funds for credit to a bank account of Party A to be designated in Party A's demand for the Delivery Amount or Return Amount, as applicable.
- (ii) In the case of securities or obligations that can be paid or delivered by book-entry on the records of U.S. Federal Reserve Banks, delivery to Chase, for credit to the account of Lehman Brothers Inc., as agent for Party A (in telegraphic abbreviation, JPMORGAN CHASE/LEHMAN, ABA #021000021).

Party B:

As provided to Party A in writing.

(m) **Other Provisions.**

(i) **Agreement as to Single Secured Party and Pledgor.** Party A and Party B agree that, notwithstanding anything to the contrary in the recital to this Annex, Paragraph 1(b) or Paragraph 2 or the definitions in Paragraph 12, (a) the term "Secured Party" as used in this Annex means only Party B, (b) the term "Pledgor" as used in this Annex means only Party A, (c) only Party A makes the pledge and grant in Paragraph 2, the acknowledgment in the final sentence of Paragraph 8(a) and the representations in Paragraph 9 and (d) only Party A will be required to make Transfers of Eligible Credit Support hereunder.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

**LEHMAN BROTHERS SPECIAL
FINANCING INC.**
(Party A)

By: T. Courtney Jenkins
Name: T. Courtney Jenkins
Title: Vice President
Date: October 23, 2002

JEFFERSON COUNTY, ALABAMA
(Party B)

By: Gary White
Name: Gary White
Title: President of County Commission
Date: Oct 25, 2002

ISDA®

International Swaps and Derivatives Association, Inc.

AMENDMENT

dated as of September 14, 2006

to the

ISDA MASTER AGREEMENT

dated as of October 23, 2002

between

LEHMAN BROTHERS SPECIAL FINANCING INC.
("Party A")

and

JEFFERSON COUNTY, ALABAMA
("Party B")

The parties have previously entered into that certain ISDA Master Agreement dated as of October 23, 2002 (the "Agreement"), which Agreement includes the Schedule and the ISDA Credit Support Annex (as amended from time to time) and all Confirmations exchanged between the parties confirming the Transactions (or Swap Transactions) thereunder. The parties have agreed to amend the Agreement in accordance with the terms of this Amendment (the "Amendment").

NOW THEREFORE, in consideration of the mutual agreements contained herein, and intending to be legally bound hereby, the parties hereto agree as follows:

1. *Amendment of the Agreement*

As used in the Agreement (including any Confirmation relating thereto), as amended by this Amendment, the terms "ISDA Master Agreement", "Agreement", "this Agreement", "herein", "hereinafter", "hereof", "hereto" and other words of similar import, shall mean the Agreement as amended hereby, unless the context otherwise specifically requires.

The Agreement is hereby amended as follows, which amendments shall apply to all Transactions, including any existing and future Transactions, governed by the Agreement:

(a) Paragraph 13(h) of the Credit Support Annex attached to the Schedule to the Agreement as Exhibit F is hereby amended in its entirety to read as follows:

“(h) **Distributions and Interest Amount.**

- (i) **Interest Rate.** The “*Interest Rate*” will be the rate per annum equal to the overnight Federal Funds Rate as reported In Federal Reserve Publication H.15-519 minus 0.25% for each day cash is held by the Secured Party.
- (ii) **Transfer of Interest Amount.** The Transfer of the Interest Amount will be made within 3 Local Business Days after the last Local Business Day of each calendar month.
- (iii) **Alternative to Interest Amount.** The provisions of Paragraph 6(d)(ii) will apply.”

2. **Representations**

Each party represents to the other party that all representations contained in the Agreement, as amended, are true and accurate as of the date of this Amendment and that such representations are deemed to be given or repeated by each party, as the case may be, on the date of this Amendment.

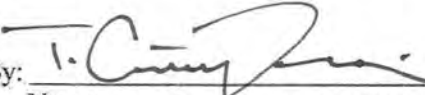
3. **Miscellaneous**

- (a) **Definitions.** Capitalized terms used in this Amendment and not otherwise defined herein shall have the meanings specified for such terms in the Agreement.
- (b) **Entire Agreement.** This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings (except as otherwise provided herein) with respect thereto.
- (c) **Amendments.** No amendment, modification or waiver in respect of the matters contemplated by this Amendment will be effective unless made in accordance with the terms of the Agreement.
- (d) **Counterparts.** This Amendment may be executed and delivered in counterparts (including by facsimile transmission) each of which will be deemed an original.
- (e) **Headings.** The headings used in this Amendment are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Amendment.
- (f) **Governing Law.** This Amendment will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).
- (g) **Agreement Ratified and Confirmed.** Except as expressly amended by this Amendment, the Agreement is in all respects ratified and confirmed and the terms, provisions and conditions thereof are and shall remain in full force and effect. From and after the date hereof all references to the Agreement shall mean such agreement as amended by the terms hereof.

IN WITNESS WHEREOF, the parties have executed this Amendment on the respective dates specified below with effect from the date specified in this Amendment.

LEHMAN BROTHERS SPECIAL
FINANCING INC.

JEFFERSON COUNTY, ALABAMA

By: 
Name: T. COURTNEY JENKINS
Title: VICE PRESIDENT

By: 
Name: _____
Title: _____

(Local Currency—Single Jurisdiction)

ISDA[®]

International Swap Dealers Association, Inc.

MASTER AGREEMENT

dated as of October 18, 2002

BANK OF AMERICA, N.A.,
a national banking association organized
Under the laws of the United States and
JEFFERSON COUNTY, ALABAMA,
a political subdivision of the State of
Alabama

have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement, which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:—

1. Interpretation

(a) **Definitions.** The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) **Inconsistency.** In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) **Single Agreement.** All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

Copyright © 1992 by International Swap Dealers Association, Inc.

C.382

(b) *Change of Account.* Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) *Netting.* If on any date amounts would otherwise be payable:—

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of branches or offices through which the parties make and receive payments or deliveries.

(d) *Default Interest; Other Amounts.* Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:—

(a) *Basic Representations.*

- (i) *Status.* It is duly organised and validly existing under the laws of the jurisdiction of its organisation or incorporation and, if relevant under such laws, in good standing;
- (ii) *Powers.* It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorise such execution, delivery and performance;
- (iii) *No Violation or Conflict.* Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganisation, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) **Furnish Specified Information.** It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorisations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)) to be complied with or performed by the party in accordance with this Agreement if

such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) *Credit Support Default.*

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) *Misrepresentation.* A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) *Default under Specified Transaction.* The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) *Cross Default.* If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) *Bankruptcy.* The party, any Credit Support Provider of such party or any applicable Specified Entity of such party: —

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its

winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer: —

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below: —

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):—

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) **Credit Event Upon Merger.** If "Credit Event Upon Merger" is specified in the Schedule as applying to the party, such party ("X"), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) *Additional Termination Event.* If any "Additional Termination Event" is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) *Event of Default and Illegality.* If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) *Right to Terminate Following Event of Default.* If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) *Right to Terminate Following Termination Event.*

(i) *Notice.* If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) *Two Affected Parties.* If an Illegality under section 5(b)(i)(1) occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) *Right to Terminate. If:—*

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii), a Credit Event Upon Merger or an Additional Termination Event occurs,

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) *Effect of Designation.*

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) **Calculations.**

(i) **Statement.** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) **Payment Date.** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) **Payments on Early Termination.** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss", and a payment method, either the "First Method" or the "Second Method". If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method", as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) **Events of Default.** If the Early Termination Date results from an Event of Default:—

(1) **First Method and Market Quotation.** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) **First Method and Loss.** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) **Second Method and Market Quotation.** If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) **Second Method and Loss.** If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative

number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) **Termination Events.** If the Early Termination Date results from a Termination Event:—

(1) **One Affected Party.** If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) **Two Affected Parties.** If there are two Affected Parties:—

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) **Adjustment for Bankruptcy.** In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) **Pre-Estimate.** The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Miscellaneous

- (a) *Entire Agreement.* This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.
- (b) *Amendments.* No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.
- (c) *Survival of Obligations.* Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.
- (d) *Remedies Cumulative.* Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.
- (e) *Counterparts and Confirmations.*
- (i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.
 - (ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.
- (f) *No Waiver of Rights.* A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.
- (g) *Headings.* The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

9. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

10. Notices

(a) *Effectiveness.* Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated: —

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;

(iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);

(iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or

(v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) *Change of Addresses.* Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

11. Governing Law and Jurisdiction

(a) *Governing Law.* This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) *Jurisdiction.* With respect to any suit, action or proceedings relating to this Agreement ("Proceedings"), each party irrevocably:—

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) *Waiver of Immunities.* Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

12. Definitions

As used in this Agreement:—

"*Additional Termination Event*" has the meaning specified in Section 5(b).

"*Affected Party*" has the meaning specified in Section 5(b).

"Affected Transactions" means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

"Affiliate" means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Applicable Rate" means: —

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

"consent" includes a consent, approval, action, authorisation, exemption, notice, filing, registration or exchange control consent.

"Credit Event Upon Merger" has the meaning specified in Section 5(b).

"Credit Support Document" means any agreement or instrument that is specified as such in this Agreement.

"Credit Support Provider" has the meaning specified in the Schedule.

"Default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

"Defaulting Party" has the meaning specified in Section 6(a).

"Early Termination Date" means the date determined in accordance with Section 6(a) or 6(b)(iii).

"Event of Default" has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

"Illegality" has the meaning specified in Section 5(b).

"law" includes any treaty, law, rule or regulation and **"lawful"** and **"unlawful"** will be construed accordingly.

"Local Business Day" means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

"Loss" means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain

resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section 6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotation" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"Non-default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Reference Market-makers" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"Scheduled Payment Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

"Set-off" means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under

this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

"Settlement Amount" means, with respect to a party and any Early Termination Date, the sum of:—

(a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party's Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

"Specified Entity" has the meaning specified in the Schedule.

"Specified Indebtedness" means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

"Specified Transaction" means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

"Terminated Transactions" means with respect to any Early Termination Date (a) if resulting from a Termination Event, all affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if "Automatic Early Termination" applies, immediately before that Early Termination Date).

"Termination Event" means an Illegality or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

"Termination Rate" means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

"Unpaid Amounts" owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined

by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

BANK OF AMERICA, N.A.

(Name of Party)

By:

Name:

Roger H. Heintzelman

Title:

Principal

Date:

10/22/02

JEFFERSON COUNTY, ALABAMA

(Name of Party)

By:

Name:

Gary White

Title:

President of County Commission

Date:

10/25/02

SCHEDULE
to the Master Agreement
(1992 Local Currency Single Jurisdiction Master Version)

dated as of October 18, 2002

between

BANK OF AMERICA, N.A., a national banking association organized under the laws of the United States ("Party A")

and

JEFFERSON COUNTY, ALABAMA a political subdivision of the State of Alabama ("Party B")

Part 1
Termination Provisions

In this Agreement:

- (a) "*Specified Entity*" shall not apply
- (b) "*Specified Transaction*" will have the meaning specified in Section 12 of this Agreement.
- (c) The "*Cross Default*" provisions of Section 5(a)(vi) of this Agreement, as modified below, will apply to Party A and to Party B. Section 5(a)(vi) of this Agreement is hereby amended by the addition of the following at the end thereof:

"provided, however, that notwithstanding the foregoing, an Event of Default shall not occur under either (1) or (2) above if, as demonstrated to the reasonable satisfaction of the other party, (a) the event or condition referred to in (1) or the failure to pay referred to in (2) is a failure to pay caused by an error or omission of an administrative or operational nature; and (b) funds were available to such party to enable it to make the relevant payment when due; and (c) such relevant payment (together with interest thereon from the due date for such payment until the actual payment date, at the per annum rate used to calculate the amount of such payment) is made within three Business Days following receipt of written notice from an interested party of such failure to pay."

If such provisions apply:

"*Specified Indebtedness*" means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of any money.

"*Threshold Amount*" means:

- (i) with respect to Party A, an amount equal to 2% of shareholders' equity (howsoever described) of Party A as shown on the most recent annual audited financial statements of Party A and
 - (ii) with respect to Party B, \$25,000,000.
- (d) The "*Credit Event Upon Merger*" provisions of Section 5(b)(ii) will apply to Party A and Party B, amended as follows:

"Credit Event Upon Merger" shall mean that a Designated Event (as defined below) occurs with respect to a party, any Credit Support Provider of the party or any applicable Specified Entity (any such party or entity, "X"), and such Designated Event does not constitute an event described in Section 5(a)(viii) but the creditworthiness of X, or, if applicable, the successor, surviving or transferee entity of X, is materially weaker than that of X immediately prior to such event. In any such case the Affected Party shall be the party with respect to which, or with respect to the Credit Support of which, the Designated Event occurred, or, if applicable, the

successor, surviving or transferee entity of such party. For purposes hereof, a Designated Event means that, after the date hereof:

- (i) X consolidates, amalgamates with or merges with or into, or transfers all or substantially all its assets to, or receives all or substantially all the assets or obligations of, another entity (or, without limiting the foregoing, if X is a Government Entity, an entity such as an organization, board, commission, authority, agency or body succeeds to the principal functions of, or powers and duties granted to, X, any Credit Support Provider of X or any Specified Entity of X); or
 - (ii) any person or entity acquires directly or indirectly the beneficial ownership of equity securities having the power to elect a majority of the board of directors of X or otherwise acquires directly or indirectly the power to control the policy-making decisions of X."
- (e) *The "Automatic Early Termination" provision of Section 6(a) will not apply to Party A or to Party B.*
- (f) *"Payments on Early Termination". For the purpose of Section 6(e) of this Agreement:*
- (i) *Market Quotation will apply.*
 - (ii) *The Second Method will apply.*
- (g) *"Termination Currency" means U.S. Dollars.*
- (h) *There shall be added to Section 5(a) of the Agreement the following Events of Default:*

"(ix) Authority; Repudiation. Party B shall cease to have authority to make payments under this Agreement or any Transaction subject to this Agreement, or any government entity having jurisdiction over Party B shall enact any legislation which would have the effect of repudiating this Agreement or any Transaction subject to this Agreement."

"(x) The obligations of Party B to Party A under this Agreement (other than the obligation to pay amounts payable as a consequence of early termination of one or more Transactions) shall cease to be pari passu, and equally and ratably secured by the pledge of System Revenues, with the obligations to pay debt service on warrants heretofore or hereafter issued under the Covered Indenture (as hereinafter defined).

- (i) *Section 5 of the Agreement is hereby amended as follows:*

(a) Bankruptcy. Section 5(a)(vii)(6) of the Agreement is amended to read in its entirety as follows:

"(6) seeks or becomes subject to the appointment of an administrator, receiver, trustee, custodian or other similar official for it or for all or substantially all of its assets (regardless of how brief such appointment may be, or whether any obligations are promptly assumed by another entity or whether any other event described in this clause (6) has occurred and is continuing) or, in the case of Party B, there shall be appointed or designated in respect of Party B pursuant to any applicable law, an organization, board, authority, agency, body or entity to monitor, review, oversee, make recommendations to, or declare financial emergencies with respect to, financially distressed local government entities or, there shall be declared or introduced or proposed for or by any legislative or regulatory body with competent jurisdiction over Party B, pursuant to any applicable law, the existence of a state of financial emergency or similar position of financial distress in respect of Party B."

(b) Merger Without Assumption. Section 5(a)(viii) of the Agreement is hereby amended to read in its entirety as follows:

"(viii) Merger Without Assumption. The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity (or, without limiting the foregoing, if such party is a Government Entity, an entity such as an organization, board, commission, authority, agency or body succeeds to the principal functions of, or powers and duties granted to, such party or any Credit Support Provider of such Party) and, at the time of such consolidation, amalgamation,

merger, transfer or succession:

(1) the resulting, surviving, transferee or successor entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving, transferee or successor entity of its obligations under this Agreement."

(j) **"Additional Termination Events"**. Additional Termination Events will apply. The following shall constitute an Additional Termination Event with respect to Party B as the Affected Party:

- (A) the long-term sewer revenue indebtedness of Party B is rated lower than BBB by Standard & Poor's Ratings Group, a division of The McGraw-Hill Companies, Inc. ("**S&P**") or lower than Baa2 by Moody's Investors Services, Inc. ("**Moody's**") and Party B has not within 10 days (A) executed and delivered a collateral agreement satisfactory in form and substance to Party A providing for the collateralization of Party B's obligations under this Agreement or (B) obtained an insurance policy satisfactory to Party A by a financial insurer satisfactory to Party A (a "**Substitute Credit Provider**") insuring the prompt and timely performance of Party B's obligations hereunder; or
- (B) the long-term sewer revenue indebtedness of Party B is rated lower than BBB- by S&P or lower than Baa3 by Moody's and Party B has not within 10 days obtained an insurance policy by a Substitute Credit Provider acceptable to Party A insuring the prompt and timely performance of Party B's obligations hereunder; or
- (C) if XL Capital Assurance or any other third party insurer of the warrants issued under the Covered Indenture fails to have a claims-paying ability rating of at least AA- by S&P or a financial strength rating of at least Aa3 by Moody's; or
- (D) if Party B amends the Covered Indenture which amendment adversely affects Party A without the consent of Party A.

**Part 2
Agreement to Deliver Documents**

For the purpose of Sections 3(d) and 4(a) of this Agreement, each party agrees to deliver the following documents:

| Party required to deliver document | Form/Document/Certificate | Date by which to be delivered | Covered by Section 3(d) Representation |
|---|--|--|---|
| Party A and Party B | Evidence of the authority and true signatures of each official or representative signing this Agreement or, as the case may be, a Confirmation, on its behalf. | On or before execution of this Agreement and each Confirmation forming a part of this Agreement. | Yes |
| Party A | Opinion of Counsel to Party A in a form reasonably satisfactory to Party B | On or before execution of this Agreement | No |

| | | | |
|---------|---|--|-----|
| Party B | Covered Indenture (as hereinafter defined.) | On or before execution of this Agreement | Yes |
| Party B | Certified copy of the resolution of Party B's County Commission (or equivalent authorizing documentation) authorizing the execution and delivery of this Agreement and performance of its obligation hereunder. | On or before execution of this Agreement | Yes |
| Party B | Opinion of legal counsel to Party B in a form reasonable satisfactory to Party A | On or before execution of this Agreement. | No |
| Party B | Annual Report of Party B containing audited, consolidated financial statements certified by the Alabama Department of Examiners of Public Accounts and prepared in accordance with generally accepted accounting principles in the country in which such party is organized | As soon as available after the end of each fiscal year of Party B | Yes |
| Party B | Annual Financial Statements of the System (as defined in the Covered Indenture) containing unaudited, consolidated financial statements of the System's fiscal year in accordance with the provisions of Section 12.2 of the Covered Indenture | As soon as available and in any event within 90 days after the end of each fiscal year of the System | Yes |
| Party B | Annual Report of the System containing audited, consolidated financial statements certified by the Alabama Department of Examiners of Public Accounts in accordance with the provisions of Section 12.2 of the Covered Indenture | As soon as available after the end of each fiscal year of the System | Yes |
| Party B | Additional documentation concerning the opinion of counsel, County Commission resolutions and certificates delivered pursuant to each of the foregoing documents to be delivered as Party A may reasonably request | Promptly upon reasonable request by Party A | Yes |

**Part 3
Miscellaneous**

(a) *Addresses for Notices.* For the purposes of Section 10(a) of this Agreement:

(i) All notices or communications to Party A shall, with respect to a particular Transaction, be sent to the address, telex number, or facsimile number reflected in the Confirmation of that Transaction, and any notice for purposes of Sections 5 or 6 shall be sent to:

Address for notice or communications to Party A:

Bank of America, N.A.
 Sears Tower
 233 South Wacker Drive, Suite 2800
 Chicago, IL 60606
 Attention: Swap Operations

with a copy to:

Bank of America, N.A.
 100 N. Tryon St., NC1-007-13-01
 Charlotte, North Carolina 28255
 Attention: Capital Markets Documentation
 Facsimile No.: 704-386-4113

(ii) All notices or communications to Party B shall be sent to the address, or facsimile number reflected below:

Jefferson County Courthouse
 716 Richard Arlington Blvd.
 Birmingham, AL 35203
 Attention: Director of Finance
 Telephone: (205) 325 5055
 Facsimile: (205) 325-5841

- (b) **Offices.** Party A, if it enters into a Transaction through an Office other than its head or home office represents to Party B that, notwithstanding the place of booking office or jurisdiction of incorporation or organization, the obligations of Party A are the same as if it had entered into the Transaction through its head or home office. This representation will be deemed to be repeated by Party A on each date on which a Transaction is entered into.
- (c) **Calculation Agent.** The Calculation Agent is Party A, unless otherwise specified in a Confirmation in relation to the relevant Transaction.
- (d) **Credit Support Document.** The Credit Support Annex attached hereto is a Credit Support Document with respect to Party A and Party B for all purposes hereunder and is incorporated herein by this reference. With respect solely to Party B, the Covered Indenture is a Credit Support Document.
- (e) **Credit Support Provider.** Credit Support Provider means with respect to Party A and Party B, Not applicable.
- (f) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to its conflict of laws doctrine).
- (g) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will not apply for the purpose of Section 2(c) with respect to all Transactions under this Agreement, with effect from the date of this Agreement.
- (h) **"Affiliate"** will have the meaning specified in Section 12 of this Agreement.

**Part 4
 Other Provisions**

(a) **Set-off.** Without affecting the provisions of the Agreement requiring the calculation of certain net payment amounts, all payments under this Agreement will be made without set-off or counterclaim; provided, however, that upon the designation of any Early Termination Date, in addition to and not in limitation of any other right or remedy (including any right to set off, counterclaim, or otherwise withhold payment or any recourse to any Credit Support Document) under applicable law the Non-defaulting Party or Non-affected Party (in either case, "X") may without prior notice to any person set off any sum or obligation (whether or not arising under this Agreement and whether matured or unmatured, whether or not contingent and irrespective of the currency, place

of payment or booking office of the sum or obligation) owed by the Defaulting Party or Affected Party (in either case, "Y") to X or any Affiliate of X against any sum or obligation (whether or not arising under this Agreement, whether matured or unmatured, whether or not contingent and irrespective of the currency, place of payment or booking office of the sum or obligation) owed by X or any Affiliate of X to Y and, for this purpose, may convert one currency into another at a market rate determined by X. If any sum or obligation is unascertained, X may in good faith estimate that sum or obligation and set-off in respect of that estimate, subject to X or Y, as the case may be, accounting to the other party when such sum or obligation is ascertained.

(b) 1992 Muni Definitions. Reference is hereby made to the 1992 ISDA U.S. Municipal Counterparty Definitions (the "1992 Muni Definitions") published by the International Swap Dealers Association, Inc., which is hereby incorporated by reference herein. Any terms used and not otherwise defined herein which are contained in the 1992 Muni Definitions shall have the meaning set forth therein.

(c) Additional Representations.

(i) The first sentence of Section 3 is amended to read in its entirety as follows:

"Each party represents to each other party (which representations will be deemed to be repeated on each date on which a Transaction is entered into and, in the case of the representations in Section 3(a) and 3(e) of this Agreement, at all times until the termination of this Agreement) the following:"

(ii) Section 3 is amended by adding the following subsections (e), (f), (g) and (h) thereto:

(e) Non-Speculation. Party B represents and warrants to Party A that this Agreement has been, and each Transaction hereunder will be, entered into for purposes of hedging against interest rate and investment risks which arise in connection with, or are incidental to, the proper governmental authorities of Party B and not for the purpose of speculation;

(f) No Immunity. Neither party is entitled to claim immunity with respect to itself or its revenues or assets from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings (as defined in Section 11(b) of the Agreement) in the courts of any jurisdiction nor may there be attributed to a party or its property any such immunity (whether or not claimed); except that Alabama Law exempts from levy and sale under any process, judgment or decree all property (real or personal) belonging to an Alabama county and used for county purposes;

(g) Eligible Contract Participant. Such party is an "eligible contract participant" as the term is defined in Section 1a(12) of the Commodity Exchange Act, as amended; and

(h) Source of Payment. The obligations of Party B to Party A under this Agreement (other than the obligation to pay amounts payable as a consequence of early termination of one or more Transactions, are *pari passu*, and equally and ratably secured by the pledge of System Revenues, with the obligation to pay debt service on warrants issued heretofore or hereafter under the Covered Indenture (as hereinafter defined).

(i) Qualified Swap. Transactions undertaken pursuant to this Agreement will, unless the parties agree in writing otherwise, constitute "Qualified Swaps" under the terms of the Covered Indenture. Unless the parties otherwise agree in writing, with respect to each Transaction undertaken pursuant to this Agreement, Party B will deliver to the Trustee a written notice (i) stating that it has designated such Transaction as a Qualified Swap (as defined in the Covered Indenture) and (ii) identifying the particular Parity Securities to which such Qualified Swap relates. Each Transaction so designated as a Qualified Swap will be treated as a Secured Related Obligation (as defined in the Covered Indenture), to the end that the obligations of Party B with respect to such Transaction (other than amounts payable by Party B as a consequence of an early termination of such Transaction) may be paid from the Debt Service Fund established by the Covered Indenture and secured by the pledge of System Revenues made in the Covered Indenture.

(iii) Section 3(a)(ii) of this Agreement is hereby amended to read in its entirety as follows:

"(ii) *Powers.* It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action and made all necessary determinations and findings to authorize such execution, delivery and performance;"

(iv) Section 3(b) of this Agreement is hereby amended to read in its entirety as follows:

"(b) *Absence of Certain Events.* No Event of Default or Potential Event of Default or, to its knowledge, Incipient Illegality (in the case of Party B) or Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party."

(d) Additional Agreements.

(i) Compliance with Covered Indenture. Party B will observe, perform and fulfill each provision in the Covered Indenture applicable to it as any of those provisions may be amended, supplemented or modified for purposes of this Agreement with the prior written consent of Party A (the "Incorporated Provisions"), with the effect that Party A will have the benefit of each of the Incorporated Provisions (including, without limitation, covenants, right to consent to certain actions subject to consent under the Covered Indenture and delivery of financial statements and other notices and information). In the event the Covered Indenture ceases to be in effect prior to the termination of this Agreement, the Incorporated Provisions (other than those provisions requiring payments in respect of bonds, notes, warrants or other similar instruments issued under the Covered Indenture) will remain in full force and effect for purposes of this Agreement as though set forth herein until such date on which all of the obligations of Party B under this Agreement have been fully satisfied. The Incorporated Provisions are hereby incorporated by reference and made a part of this Agreement to the same extent as if such provisions were set forth herein. For purposes of this Agreement, the Incorporated Provisions shall be construed as though (i) all references therein to any party making loans, extensions of credit or financial accommodations thereunder or commitments therefor (the "Financings") were to Party A and (ii) to the extent that such Incorporated Provisions are conditioned on or relate to the existence of such Financing or Party B having any obligations in connection therewith, all references to such Financings or obligations were to the obligations of Party B under this Agreement; provided, however, that the obligations of Party B under this Agreement shall not be taken into account in determining whether or not Party B is entitled to issue Additional Parity Securities under the Covered Indenture, except to the extent that any Transaction has been designated as a Qualified Swap under the Covered Indenture and, as such, shall be taken into account in the calculation of Maximum Annual Debt Service on any related Parity Securities as set forth in the Covered Indenture. Any amendment, supplement, modification or waiver of any of the Incorporated Provisions without the prior written consent of Party A shall have no force and effect with respect to this Agreement. Any amendment supplement or modification for which such consent is obtained shall be part of the Incorporated Provisions for purposes of this Agreement.

(ii) Notice of Incipient Illegality. If an Incipient Illegality occurs, Party B will, promptly upon becoming aware of it, notify Party A, specifying the nature of that Incipient Illegality and will also give such other information about that Incipient Illegality as Party A may reasonably require.

(c) Relationship Between Parties. Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):

(i) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to

enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of that Transaction.

(ii) Assessment and Understanding. It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice), and understands and accepts the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the risks of that Transaction.

(iii) Status of Parties. The other party is not acting as a fiduciary for or an adviser to it in respect of that Transaction.

(f) Waiver of Jury Trial. EACH PARTY HEREBY IRREVOCABLY WAIVES, TO THE EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION AND ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO THE OTHER PARTY'S ENTERING INTO THIS AGREEMENT.

(g) Consent to Recording. Each Party (i) consents to the recording of all telephone conversations between trading, operations and marketing personnel of the parties and their Affiliates in connection with this Agreement or any potential Transaction; (ii) agrees to give any required notice to such personnel of it and its Affiliates that their calls will be recorded; and (iii) agrees that in any Proceedings, it will not object to the introduction of such recordings in evidence on grounds that consent was not properly given.

(h) Disclaimer of General Liability. Any obligation of Party B under this Agreement shall be payable solely from the System Revenues (as defined in the Covered Indenture). In no event shall any obligation of Party B under this Agreement be treated or regarded as a general obligation or pledge of the full faith and credit of Party B or a claim on the taxing power of Party B or a charge against any debt limit imposed on Party B by the constitution and laws of the State of Alabama.

(i) Additional Definitions. Section 12 is hereby amended by adding the following definitions:

"Covered Indenture" means the Trust Indenture between Jefferson County, Alabama and The Bank of New York (as Successor Trustee to AmSouth Bank of Alabama), dated as of February 1, 1997 as amended and supplemented from time to time.

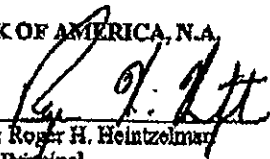
"Government Entity" means Party B.

"Incipient Illegality" means (a) the enactment by any legislative body with competent jurisdiction over Party B of legislation which, if adopted as law, would render unlawful (i) performance by Party B of any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of a Transaction or the compliance by Party B with any other material provision of this Agreement relating to such Transaction or (ii) the performance by Party B or a Credit Support Provider of Party B of any contingent or other obligation which Party B (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction, (b) any official assertion in any proceeding, forum or action by Party B, in respect of Party B, that renders performance under this Agreement or similar agreements unlawful or (c) the occurrence with respect to Party B or any Credit Support Provider of Party B of any event that constitutes an Illegality."

Please confirm your agreement to the terms of the foregoing Schedule by signing below.

BANK OF AMERICA, N.A.

JEFFERSON COUNTY, ALABAMA

By: 
Name: Roger H. Heintzelman
Title: Principal
Date: 10/22/02

By: _____
Name:
Title:
Date:

(Unilateral Form)

(ISDA Agreements Subject to New York Law Only)

ISDA[®]

International Swap Dealers Association, Inc.

CREDIT SUPPORT ANNEX

to the Schedule to the

MASTER AGREEMENT

dated as of October 18, 2002

between

BANK OF AMERICA, N.A.,
a national banking association organized
under the laws of the United States

("Party A")

JEFFERSON COUNTY, ALABAMA,
a political subdivision of the State of
Alabama

("Party B")

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party.

Accordingly, the parties agree as follows:

Paragraph 1. Interpretation

(a) **Definitions and Inconsistency.** Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) **Secured Party and Pledgor.** All references in this Annex to the "Secured Party" will be to either party when acting in that capacity and all corresponding references to the "Pledgor" will be to the other party when acting in that capacity; *provided, however*, that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

Paragraph 2. Security Interest

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations, and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

Copyright © 1994 by International Swaps and Derivatives Association, Inc.

Paragraph 3. Credit Support Obligations

(a) **Delivery Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "**Delivery Amount**" applicable to the Pledgor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) **Return Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "**Return Amount**" applicable to the Secured Party for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party

exceeds

(ii) the Credit Support Amount.

"**Credit Support Amount**" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions

(a) **Conditions Precedent.** Each Transfer obligation of the Pledgor under Paragraphs 3(a) and 5 and of the Secured Party under Paragraphs 3(b), 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) **Transfer Timing.** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) **Calculations.** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(d), following the date of calculation).

(d) **Substitutions.**

(i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, Transfer to the Secured Party substitute Eligible Credit Support (the "Substitute Credit Support"); and

(ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); *provided* that the Secured Party only will be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

Paragraph 5. Dispute Resolution

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the Valuation Agent (if the Valuation Agent is not the Disputing Party) and the other party (if the Valuation Agent is not that other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction); and

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support, the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.

Paragraph 6. Holding and Using Posted Collateral

(a) **Care of Posted Collateral.** Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) ***Eligibility to Hold Posted Collateral; Custodians.***

(i) ***General.*** Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) ***Failure to Satisfy Conditions.*** If the Secured Party or its Custodian fails to satisfy any conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after the demand, Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) ***Liability.*** The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) ***Use of Posted Collateral.*** Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) ***Distributions and Interest Amount.***

(i) ***Distributions.*** Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Local Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).

(ii) **Interest Amount.** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

Paragraph 7. Events of Default

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

- (i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;
- (ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or
- (iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

Paragraph 8. Certain Rights and Remedies

(a) **Secured Party's Rights and Remedies.** If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

- (i) all rights and remedies available to a secured party under applicable law with respect to Posted Collateral held by the Secured Party;
- (ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;
- (iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and
- (iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required by applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required by law and cannot be waived.

(b) **Pledgor's Rights and Remedies.** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

- (i) the Pledgor may exercise all rights and remedies available to a pledgor under applicable law with respect to Posted Collateral held by the Secured Party;
- (ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;
- (iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and
- (iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:
 - (A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and
 - (B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) **Deficiencies and Excess Proceeds.** The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) **Final Returns.** When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

Paragraph 9. Representations

Each party represents to the other party (which representations will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

- (i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;
- (ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral Transferred to the Secured Party hereunder, free and clear of any security interest, lien, encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2;
- (iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under relevant law for perfection of that interest); and
- (iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.

Paragraph 10. Expenses

(a) **General.** Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.

(b) **Posted Credit Support.** The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit Support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c), except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).

(c) **Liquidation/Application of Posted Credit Support.** All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

Paragraph 11. Miscellaneous

(a) **Default Interest.** A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obligated to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(b) **Further Assurances.** Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.

(c) **Further Protection.** The Pledgor promptly will give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the security interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).

(d) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(e) **Demands and Notices.** All demands and notices made by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.

(f) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

Paragraph 12. Definitions

As used in this Annex:--

"Cash" means the lawful currency of the United States of America.

"Credit Support Amount" has the meaning specified in Paragraph 3.

"Custodian" has the meaning specified in Paragraphs 6(b)(i) and 13.

"Delivery Amount" has the meaning specified in Paragraph 3(a).

"Disputing Party" has the meaning specified in Paragraph 5.

"Distributions" means with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

"Eligible Collateral" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Eligible Credit Support" means Eligible Collateral and Other Eligible Support.

"Exposure" means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; *provided* that Market Quotation will be determined by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

"Independent Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Interest Amount" means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

- (x) the amount of that Cash on that day; multiplied by
- (y) the Interest Rate in effect for that day; divided by
- (z) 360.

"Interest Period" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"Interest Rate" means the rate specified in Paragraph 13.

"Local Business Day", unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

"Minimum Transfer Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Notification Time" has the meaning specified in Paragraph 13.

"Obligations" means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

"Other Eligible Support" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Other Posted Support" means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

"Pledgor" means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

"Posted Collateral" means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

"Posted Credit Support" means Posted Collateral and Other Posted Support.

"Recalculation Date" means the Valuation Date that gives rise to the dispute under Paragraph 5; *provided, however*, that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the "Recalculation Date" means the most recent Valuation Date under Paragraph 3.

"Resolution Time" has the meaning specified in Paragraph 13.

"Return Amount" has the meaning specified in Paragraph 3(b).

"Secured Party" means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

"Specified Condition" means, with respect to a party, any event specified as such for that party in Paragraph 13.

"Substitute Credit Support" has the meaning specified in Paragraph 4(d)(i).

"Substitution Date" has the meaning specified in Paragraph 4(d)(ii).

"Threshold" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Transfer" means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

- (i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;
- (ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;
- (iii) in the case of securities that can be paid or delivered by book-entry, the giving of written instructions to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and
- (iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.

"Valuation Agent" has the meaning specified in Paragraph 13.

"Valuation Date" means each date specified in or otherwise determined pursuant to Paragraph 13.

"Valuation Percentage" means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

"Valuation Time" has the meaning specified in Paragraph 13.

"Value" means for any Valuation Date or other date for which Value is calculated and subject to Paragraph 5 in the case of a dispute, with respect to:

- (i) Eligible Collateral or Posted Collateral that is:
 - (A) Cash, the amount thereof; and
 - (B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;
- (ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and
- (iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.

**ISDA
CREDIT SUPPORT ANNEX**

to the Schedule
to the Master Agreement

dated as of October 18, 2002

between

BANK OF AMERICA, N.A.
("Party A")

and

JEFFERSON COUNTY, ALABAMA
("Party B")

Paragraph 13. Elections and Variables

- (a) **Security Interest for "Obligations."** The term "**Obligations**" as used in this Annex includes the following additional obligations:

With respect to Party A: None
With respect to Party B: None

- (b) **Credit Support Obligations.**

- (i) **Delivery Amount, Return Amount and Credit Support Amount.**

(A) "**Delivery Amount**" has the meaning specified in Paragraph 3(a).

(B) "**Return Amount**" has the meaning specified in Paragraph 3(b).

(C) "**Credit Support Amount**" has the meaning specified in Paragraph 3.

- (ii) **Eligible Collateral.** The following items will qualify as "**Eligible Collateral**" for Party A:

| | Valuation Percentage |
|---|-------------------------|
| (A) Cash (U.S. Dollars) | 100% |
| (B) U.S. Treasury Obligations and U.S. Government Agency Single Class Mortgage-Backed Securities, having, in each case, remaining stated maturity as of the relevant Valuation Date of not more than one year | 99.5% |
| (C) U.S. Treasury Obligations and U.S. Government Agency Single Class Mortgage-Backed Securities, having, in each case, remaining stated maturity as of the relevant Valuation Date of more than one year but not more than 5 years | 98 % |
| (D) U.S. Treasury Obligations and U.S. Government Agency Single Class Mortgage-Backed Securities, having, in each case, remaining stated maturity as of the relevant Valuation Date of more than 5 years | 95% |
| (E) U.S. Treasury STRIPS | 90% |
| (F) Other U.S. Government Agency Mortgage-Backed Securities | 90% |
| (G) other collateral acceptable to Party B | 90% |

For purposes of this Paragraph 13(b)(ii):

(I) A "U.S. Treasury Obligation" means a negotiable obligation issued by the United States Treasury Department which meets all of the requirements numbered (1) through (4) of the definition of "U.S. Government Agency Fixed Rate Fixed Maturity Security". (However, for purposes of this Paragraph 13(b)(ii), a "U.S. Treasury Obligation" does not include "U.S. Treasury STRIPS", as defined hereinbelow.)

(II) "U.S. Treasury STRIPS" means securities which are interest components or principal components stripped from U.S. Treasury Obligations (as defined hereinabove) under the program of the United States Department of Treasury called "Separate Trading of Registered Interest and Principal Securities".

(III) A "U.S. Government Agency Single Class Mortgage-Backed Security" means a negotiable obligation which is issued or guaranteed by the Government National Mortgage Association (an "Agency") and which meets all of the following requirements:

- (1) it represents the right to receive payment of principal and interest payable under first lien single family residential mortgage loans (the "Loans") in one or more pools and it either is an undivided interest in the Loans or is directly or indirectly secured by the Loans;
- (2) all such obligations issued with respect to any such pools of Loans constitute a single class of such obligations and each such obligation represents the right to receive a prorata share of all principal and interest payable under all Loans in such pools;
- (3) full payment of principal and interest payable under the obligation is either the unconditional direct obligation of one of the Agencies or is unconditionally and fully guaranteed by one of the Agencies; and
- (4) either (x) it is issued in uncertificated form and is transferable only on the securities transfer system of the Federal Reserve System or (y) it is issued in the form of a certificate which is held by the Participants Trust Corporation ("PTC") or PTC's nominee and interests therein are transferable only by entry on the books of PTC or PTC's nominee (or the custodian or transfer agent for PTC or PTC's nominee), or (z) it is issued in the form of a certificate which is held by the Depository Trust Company ("DTC") or DTC's nominee and interests therein are transferable only by entry on the books of DTC or DTC's nominee (or the custodian or transfer agent for DTC or DTC's nominee).

(IV) An "Other U.S. Government Agency Mortgage-Backed Security" means a negotiable obligation which is issued or guaranteed by an Agency and which is not a U.S. Government Agency Single Class Mortgage-Backed Security and which meets all of the following requirements:

- (1) it represents the right to receive payment of principal and interest payable under first lien single family residential mortgage loans (the "Loans") in one or more pools and it either is an undivided interest in the Loans or is directly or indirectly secured by the Loans;
- (2) market prices for it are (at the time of Transfer to Secured Party and on each Valuation Date thereafter) obtained from independent third party pricing vendors;
- (3) full payment of principal and interest payable under the obligation is either the unconditional direct obligation of one of the Agencies or is unconditionally and fully guaranteed by one of the Agencies; and
- (4) either (x) it is issued in uncertificated form and is transferable only on the securities transfer system of the Federal Reserve System or (y) it is issued in the form of a certificate which is held by the Participants Trust Corporation ("PTC") or PTC's nominee and interests therein are transferable only by entry on the books of PTC or PTC's nominee (or the custodian or transfer agent for PTC or PTC's nominee), or (z) it is issued in the form of a certificate which is held by the Depository Trust Company ("DTC") or DTC's nominee and interests therein are transferable only by entry on the books of DTC or DTC's nominee (or the custodian or transfer agent for DTC or DTC's nominee).

agent for DTC or DTC's nominee).

(iii) **Other Eligible Support.** The following items will qualify as "**Other Eligible Support**" for the party specified: None

(iv) **Thresholds.**

(A) "**Independent Amount**" means with respect to Party A: \$ 0
"**Independent Amount**" means with respect to Party B: Not applicable.

(B) "**Threshold**" means:
With respect to Party A: zero.
With respect to Party B: Not applicable.

(C) "**Minimum Transfer Amount**" means with respect to Party A and Party B \$100,000; provided however, that if an Event of Default has occurred and is continuing with respect to a party, the Minimum Transfer Amount with respect to the Defaulting Party shall be zero..

(D) **Rounding.** The Delivery Amount and the Return Amount will be rounded up and down to the nearest integral multiple of \$10,000, respectively.

(c) **Valuation and Timing.**

(i) "**Valuation Agent**" means Party A.

(ii) "**Valuation Date**" means each Local Business Day.

(iii) "**Valuation Time**" means the close of business on the Local Business Day before the Valuation Date or date of calculation, as applicable; *provided* that the calculations of Value and Exposure will be made as of approximately the same time on the same day.

(iv) "**Notification Time**" means 1:00 p.m. New York time on a Local Business Day.

(d) **Conditions Precedent and Secured Party's Rights and Remedies.** The following Termination Event will be a "**Specified Condition**" for both parties: Illegality and Additional Termination Event.

(e) **Substitution.**

(i) "**Substitution Date**" means the Local Business Day in New York on which the Secured Party is able to confirm irrevocable receipt of the Substitute Credit Support, provided that (x) such receipt is confirmed before 3:00 p.m. (New York time) on such Local Business Day in New York and (y) the Secured Party has received, before 1:00 p.m. (New York time) on the immediately preceding Local Business Day in New York, the notice of substitution described in Paragraph 4(d)(i).

(ii) **Consent.** If specified here as applicable, then Pledgor must obtain the Secured Party's consent for any substitution pursuant to Paragraph 4(d): N/A.

(f) **Dispute Resolution.**

(i) "**Resolution Time**" means 1:00 p.m., New York time, on the Local Business Day following the date on which the notice of the dispute is given under Paragraph 5.

(ii) **Value.** For the purpose of Paragraphs 5(i)(C) and 5(ii), the Value of Posted Credit Support will be calculated as follows: for Cash, the U.S. dollar value thereof, and for each item of Eligible Collateral (except for Cash), an amount in U.S. dollars equal to the product of (i) either (A) the bid price for such security quoted on such day by a principal market-maker for such security selected in good faith by the Secured Party or (B) the most recent publicly available bid price for such security as reported by a quotation service or in a medium

selected in good faith and in a commercially reasonable manner by Secured Party, multiplied by (ii) the percentage figure listed in Paragraph 13(b)(ii) hereof with respect to such security.

(iii) *Alternative.* The provision of Paragraph 5 will apply.

(g) *Holding and Using Posted Collateral.*

(i) *Eligibility to Hold Posted Collateral; Custodians.* Party B and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); *provided* that the following conditions applicable to it are satisfied:

(A) Party B is not a Defaulting Party.

(B) Any Custodian appointed by a party must be a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, having assets of at least \$10 billion and a long term debt or deposit rating of at least "A3" from Moody's and "A-" from S&P.

(C) Posted Collateral may only be held in one or more accounts in the United States and any account established by Party B or its Custodian to hold Posted Collateral shall be established and maintained for the sole purpose of receiving deliveries of and holding Posted Collateral, each of which accounts may include property of other parties but will bear a title indicating the Secured Party's interest in said account and the Posted Collateral in such account. In addition the Secured Party may direct the Pledgor to transfer or deliver Eligible Collateral directly into the Secured Party's Collateral Account(s). If otherwise qualified, the Secured Party may act as such Custodian and the Secured Party may move the Collateral Accounts from one such Custodian to another upon reasonable notice to the Pledgor. The Secured Party shall cause statements concerning the Posted Collateral transferred or delivered by the Pledgor to be sent to the Pledgor on request, which may not be made more frequently than once in each calendar month.

(D) If Party B itself or a Custodian appointed by it at any time may not hold Posted Collateral consistent with this Paragraph 13(g) or elects not to do so, such party shall promptly give notice to the other party.

Initially, the *Custodian* for Party A is: N/A.

Initially, the *Custodian* for Party B is: To be advised.

(ii) *Use of Posted Collateral.* The provisions of Paragraph 6(c) will not apply to Party B.

(h) *Distributions and Interest Amount.*

(i) *Interest Rate.* The "*Interest Rate*" will be the rate per annum equal to the overnight Federal Funds Rate for each day cash is held by the Secured Party as reported in Federal Reserve Publication H.15-519.

(ii) *Transfer of Interest Amount.* The Transfer of the Interest Amount will be made within 3 Local Business Days after the last Local Business Day of each calendar month.

(iii) *Alternative to Interest Amount.* The provisions of Paragraph 6(d)(ii) will apply.

(i) *Additional Representation(s).* None.

(j) *Other Eligible Support and Other Posted Support.*

(i) "*Value*" shall have no meaning with respect to Other Eligible Support.

(ii) "*Transfer*" shall have no meaning with respect to Other Eligible Support.

(k) *Demands and Notices.* Any demand, specification or notice under this Annex (each, a "Notice"), other

than a Notice pursuant to Paragraph 4(d), may be delivered orally, including by telephone. If such Notice is delivered orally, such oral Notice shall be confirmed promptly in writing (a "Notice Confirmation") by tested telex, facsimile or actual delivery. Failure to provide that Notice Confirmation will not affect the validity of that oral Notice. All Notices shall be delivered to the following addresses:

with respect to Party A:

Party A: Bank of America, N.A.
Sears Tower
233 South Wacker Drive, Suite 2800
Chicago, Illinois 60606-6306

Telephone No.: (312) 234-3030
Facsimile: (312) 234-2731

with respect to Party B:

Jefferson County Courthouse
716 Richard Arington Blvd.
Birmingham, AL 39203
Attention: Director of Finance
Telephone: (205) 325 5055
Facsimile: (205) 325-5841

- (l) **Addresses for Transfers.** Addresses for Transfers of Collateral for Party B shall be supplied on or before the date of initial Transfer hereunder.

Party A: Cash/Interest Payments: (USD Only)
Bank of America—Chicago, IL
ABA# 071 000 039
FOR: Bank of America, N.A. ARB Account
Account# 8188311449

Eligible Collateral (other than cash):
BK AMERICA NC/INV
ABA# 053 000 196

- (m) **Other Provisions.**

Paragraph 5. Dispute Resolution. Paragraph 5 of the Credit Support Annex is hereby amended by deleting clause (2) in its entirety and inserting in lieu thereof the following:

"(2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than (X) the time delivery otherwise would have been due if no dispute had existed in the case of (I) above, or (Y) the close of business on the Local Business Day following the date of Transfer in the case of (II) above,"

Paragraph 7. Event of Default. Subparagraph (i) of Paragraph 7 of the Credit Support Annex is hereby amended by deleting the phrase "two Local Business Days" and inserting in lieu thereof the phrase "one Local Business Day."

Paragraph 1(b). Paragraph 1(b) of this Annex is amended by deleting it and restating it in full as follows:

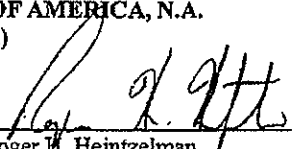
"(b) Secured Party and Pledgor. All references in this Annex to the "Secured Party" means Party B, and all references in this Annex to the "Pledgor" mean Party A; provided, however, that if Other Posted Support is held by Party B, all references herein to the Secured Party with respect to that Other Posted Support will be to Party B as the beneficiary thereof and will not subject that support or Party B as the beneficiary thereof to provisions of law generally relating to security interests and secured parties."

Paragraph 12. Paragraph 12 of this Annex is amended by deleting the definitions of "Pledgor" and "Secured Party" and replacing them with the following:"

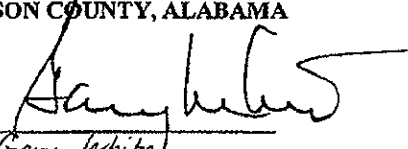
" 'Secured Party' means Party B.
'Pledgor' means Party A."

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

BANK OF AMERICA, N.A.
(Party A)

By: 
Name: Roger A. Heintzelman
Title: Principal
Date: 10/22/02

JEFFERSON COUNTY, ALABAMA
(Party B)

By: 
Name: Gary White
Title: President of County Commission
Date: 10/25/02

AMENDMENT TO THE ISDA® MASTER AGREEMENT

THIS AMENDMENT, dated as of July 14, 2003 (the "Amendment"), between **BANK OF AMERICA, N.A.** ("Party A") and **JEFFERSON COUNTY, ALABAMA** ("Party B").

WITNESSETH

WHEREAS, Party A and Party B have previously entered into a certain Master Agreement, dated as of October 18, 2002, (including the Schedule thereto and the Confirmations (each as defined therein), the "Agreement"); and

WHEREAS, upon execution of this Amendment, Party A and Party B now desire to amend the Agreement, as hereinafter provided;

1. **Amendment.** The Agreement is amended as follows (with such amendments to be effective for each Transaction governed by the Agreement):

- (i) Part 1(j)(A) of the Schedule is amended by replacing the phrase "the long-term sewer revenue indebtedness of Party B is rated lower than" with the phrase "the long-term, unenhanced sewer revenue indebtedness rating of Party B (without regard to any third party credit enhancement) is withdrawn, suspended or reduced below" in the first line therein.

- (ii) Part 1(j)(B) of the Schedule is amended by replacing the phrase "the long-term sewer revenue indebtedness of Party B is rated lower than" with the phrase "the long-term, unenhanced sewer revenue indebtedness rating of Party B (without regard to any third party credit enhancement) is withdrawn, suspended or reduced below" in the first line therein.

- (iii) Part 1(j)(C) of the Schedule is replaced with the following:

“(C) Intentionally omitted.”

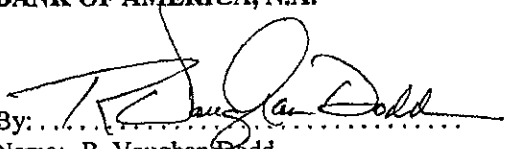
2. **Entire Agreement.** This Amendment constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communications or prior writings (except as otherwise provided herein) with respect thereto. Except as expressly amended herein, all of the provisions of the Agreement shall remain in full force and effect. This Amendment shall in no way operate as a novation, release, or discharge of any of the provisions of the Agreement (except as amended herein), or any indebtedness thereby evidenced.
3. **Governing Law.** This Amendment will be governed by and construed in accordance with the laws of the State of New York without reference to its conflict of laws doctrine.

4. *Counterparts.* This Amendment may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized as of the day and year first above written.

BANK OF AMERICA, N.A.

JEFFERSON COUNTY, ALABAMA

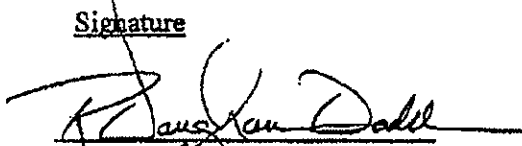
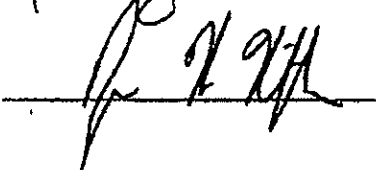
By: 
Name: R. Vaughan Dodd
Title: Managing Director

By: 
Name:
Title:

SECRETARY'S CERTIFICATION
OF
AUTHORIZATION AND INCUMBENCY

I, CLARA S. BLANDING, Assistant Secretary of Bank of America, National Association (the "Association"), do hereby certify:

1. That Exhibit A attached hereto is a true copy of resolutions adopted by the Board of Directors of the Association on July 28, 1993, which resolutions remain in full force and effect on this date.
2. That the following named persons have been properly elected and now hold the offices in the Association as indicated below, and said persons have been duly designated key officers with the authority and powers to engage in activities relating to derivative products as set out in sections "(A)", "(B)", "(D)" and "(E)" on Exhibit A.

| <u>Name</u> | <u>Title</u> | <u>Signature</u> |
|----------------------|-------------------|--|
| R. Vaughan Dodd | Managing Director |  |
| Roger H. Heintzelman | Principal |  |

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of said Association this 20th day of June, 2003.


Clara S. Blanding



EXHIBIT A

Securities and Related Trading Authority

NOW, THEREFORE, BE IT RESOLVED, that within the scope of their respective authorities, any Executive Vice President (or other officer of equivalent or higher rank or grade) within or responsible for the Investment Banking, Global Trading and Distribution, Balance Sheet and Funds Management, or Corporate Investments group (and their respective successor(s) in such capacities) is hereby empowered to be responsible and to designate key officers to be responsible for the overall supervision, coordination, execution and delivery, including the maintenance of appropriate books and records, of all transactions, contracts, agreements, arrangements and commitments by which the business and activities of the functional area, group, unit, department or division of the Bank under his control are conducted on behalf of the Bank, including, to the extent permitted by federal law or regulation, purchasing, investing in, or otherwise acquiring (including purchasing on margin and borrowing funds through or from approved third parties and securing payment thereof with property of the Bank to the extent permitted by law), possessing, selling (including short sales), placing as agent, effecting transactions pursuant to repurchase and reverse repurchase agreements, transferring, lending, borrowing, exchanging or otherwise disposing of, and generally underwriting, dealing and trading in (A) securities, mortgages, and instruments whether on a current, mandatory forward or optional commitment basis, including: (1) United States government securities and federal agency securities, on a when-issued or current settlement basis; (2) mortgage-backed pass-through securities, guaranteed as to payment of principal and interest by the Government National Mortgage Association, Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association; (3) asset-backed securities and mortgage related securities, including collateralized mortgage obligations, mortgage-backed debt securities and mortgage-backed pass-through securities not enumerated in clause A(2) above; (4) whole mortgage loans whether residential, commercial or project related, and instruments and participation certificates evidencing an interest in any such loans; (5) money market instruments, including federal funds, deposits, redeposits, bankers acceptances, certificates of deposit, deposit notes, bank notes and commercial paper (both foreign and domestic); (6) municipal securities, including general obligation and revenue bonds and variable rate demand notes; (7) equity securities and corporate debt obligations, whether secured, unsecured or convertible, including bonds, debentures and notes; (B) foreign currencies and foreign currency-denominated securities, deposits and money market instruments including currency swaps, cross-currency interest rate swaps, Eurocurrency deposits and redeposits, certificates of deposit, notes and floating rate notes (FRN's) and bonds; (C) foreign government and government agency securities; (D) derivative products, including interest rate swaps, caps, collars, floors, swap options, forward rate agreements, commodity derivatives, equity derivatives and the like; and (E) futures and options (exchange listed or over-the-counter) on securities, securities indices, financial instruments and foreign currencies.

AND BE IT FURTHER RESOLVED, that such authority with respect to such transactions, contracts, agreements, arrangements or commitments or with respect to any transactions deemed by such key officers to be proper in connection therewith includes the authority to give written (including telecopied, telexed, telegraphic and electronic) or oral instructions, to pay in cash or by check and/or draft drawn upon the funds of the Bank such sums as may be necessary, and to bind and obligate the Bank to and for the carrying out of any such transaction, contract, agreement, arrangement or commitment which shall be entered into by any such officers for and on behalf of the Bank; to deliver securities or other documents; to authorize or order the transfer or delivery of securities or other documents; to enter into and bind the Bank to the terms of any and all agreements with appropriate clearing organizations; to affix the seal of the Bank to any documents, instruments or agreements or otherwise; to endorse in the name of the Bank or otherwise any securities in order to pass title thereto; to direct the sale or exercise of all rights with respect to any securities; to sign for the Bank all releases, powers of attorney and/or other documents in connection with any such transaction, contract, agreement, arrangement or commitment and to agree to any terms or conditions in connection therewith; to accept delivery of any securities, documents or other items; to appoint any other person or persons to do any and all things which any of such officers is empowered to do; and generally to do and take any and all action necessary or considered desirable in connection with any such transaction, contract, agreement, arrangement or commitment.

AND BE IT FURTHER RESOLVED, that all such lawful transactions, contracts, agreements, arrangements and commitments which shall have been entered into by or under the authority of the respective officers specified above for and on behalf of the Bank on or after January 1, 1992 be and hereby are ratified, confirmed, approved and adopted in all respects.

** TOTAL PAGE.02 **

(Local Currency-Single Jurisdiction)

ISDA®

International Swaps and Derivatives Association, Inc.

MASTER AGREEMENT

dated as of May 1, 2004

BEAR STEARNS CAPITAL MARKETS INC. and JEFFERSON COUNTY, ALABAMA, have entered and/or anticipate entering into one or more transactions (each a "Transaction") that are or will be governed by this Master Agreement (the "Master Agreement"), which includes the schedule (the "Schedule"), and the documents and other confirming evidence (each a "Confirmation") exchanged between the parties confirming those Transactions.

Accordingly, the parties agree as follows:—

1. Interpretation

(a) *Definitions.* The terms defined in Section 12 and in the Schedule will have the meanings therein specified for the purpose of this Master Agreement.

(b) *Inconsistency.* In the event of any inconsistency between the provisions of the Schedule and the other provisions of this Master Agreement, the Schedule will prevail. In the event of any inconsistency between the provisions of any Confirmation and this Master Agreement (including the Schedule), such Confirmation will prevail for the purpose of the relevant Transaction.

(c) *Single Agreement.* All Transactions are entered into in reliance on the fact that this Master Agreement and all Confirmations form a single agreement between the parties (collectively referred to as this "Agreement"), and the parties would not otherwise enter into any Transactions.

2. Obligations

(a) General Conditions.

(i) Each party will make each payment or delivery specified in each Confirmation to be made by it, subject to the other provisions of this Agreement.

(ii) Payments under this Agreement will be made on the due date for value on that date in the place of the account specified in the relevant Confirmation or otherwise pursuant to this Agreement, in freely transferable funds and in the manner customary for payments in the required currency. Where settlement is by delivery (that is, other than by payment), such delivery will be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement.

C.384

(iii) Each obligation of each party under Section 2(a)(i) is subject to (1) the condition precedent that no Event of Default or Potential Event of Default with respect to the other party has occurred and is continuing, (2) the condition precedent that no Early Termination Date in respect of the relevant Transaction has occurred or been effectively designated and (3) each other applicable condition precedent specified in this Agreement.

(b) **Change of Account.** Either party may change its account for receiving a payment or delivery by giving notice to the other party at least five Local Business Days prior to the scheduled date for the payment or delivery to which such change applies unless such other party gives timely notice of a reasonable objection to such change.

(c) **Netting.** If on any date amounts would otherwise be payable:—

- (i) in the same currency; and
- (ii) in respect of the same Transaction,

by each party to the other, then, on such date, each party's obligation to make payment of any such amount will be automatically satisfied and discharged and, if the aggregate amount that would otherwise have been payable by one party exceeds the aggregate amount that would otherwise have been payable by the other party, replaced by an obligation upon the party by whom the larger aggregate amount would have been payable to pay to the other party the excess of the larger aggregate amount over the smaller aggregate amount.

The parties may elect in respect of two or more Transactions that a net amount will be determined in respect of all amounts payable on the same date in the same currency in respect of such Transactions, regardless of whether such amounts are payable in respect of the same Transaction. The election may be made in the Schedule or a Confirmation by specifying that subparagraph (ii) above will not apply to the Transactions identified as being subject to the election, together with the starting date (in which case subparagraph (ii) above will not, or will cease to, apply to such Transactions from such date). This election may be made separately for different groups of Transactions and will apply separately to each pairing of branches or offices through which the parties make and receive payments or deliveries.

(d) **Default Interest; Other Amounts.** Prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party that defaults in the performance of any payment obligation will, to the extent permitted by law and subject to Section 6(c), be required to pay interest (before as well as after judgment) on the overdue amount to the other party on demand in the same currency as such overdue amount, for the period from (and including) the original due date for payment to (but excluding) the date of actual payment, at the Default Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed. If, prior to the occurrence or effective designation of an Early Termination Date in respect of the relevant Transaction, a party defaults in the performance of any obligation required to be settled by delivery, it will compensate the other party on demand if and to the extent provided for in the relevant Confirmation or elsewhere in this Agreement.

3. Representations

Each party represents to the other party (which representations will be deemed to be repeated by each party on each date on which a Transaction is entered into) that:—

(a) **Basic Representations.**

(i) **Status.** It is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;

(ii) **Powers.** It has the power to execute this Agreement and any other documentation relating to this Agreement to which it is a party, to deliver this Agreement and any other documentation relating to this Agreement that it is required by this Agreement to deliver and to perform its obligations under this Agreement and any obligations it has under any Credit Support Document to which it is a party and has taken all necessary action to authorize such execution, delivery and performance;

(iii) **No Violation or Conflict.** Such execution, delivery and performance do not violate or conflict with any law applicable to it, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;

(iv) **Consents.** All governmental and other consents that are required to have been obtained by it with respect to this Agreement or any Credit Support Document to which it is a party have been obtained and are in full force and effect and all conditions of any such consents have been complied with; and

(v) **Obligations Binding.** Its obligations under this Agreement and any Credit Support Document to which it is a party constitute its legal, valid and binding obligations, enforceable in accordance with their respective terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

(b) **Absence of Certain Events.** No Event of Default or Potential Event of Default or, to its knowledge, Termination Event with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement or any Credit Support Document to which it is a party.

(c) **Absence of Litigation.** There is not pending or, to its knowledge, threatened against it or any of its Affiliates any action, suit or proceeding at law or in equity or before any court, tribunal, governmental body, agency or official or any arbitrator that is likely to affect the legality, validity or enforceability against it of this Agreement or any Credit Support Document to which it is a party or its ability to perform its obligations under this Agreement or such Credit Support Document.

(d) **Accuracy of Specified Information.** All applicable information that is furnished in writing by or on behalf of it to the other party and is identified for the purpose of this Section 3(d) in the Schedule is, as of the date of the information, true, accurate and complete in every material respect.

4. Agreements

Each party agrees with the other that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:—

(a) **Furnish Specified Information.** It will deliver to the other party any forms, documents or certificates specified in the Schedule or any Confirmation by the date specified in the Schedule or such Confirmation or, if none is specified, as soon as reasonably practicable.

(b) **Maintain Authorizations.** It will use all reasonable efforts to maintain in full force and effect all consents of any governmental or other authority that are required to be obtained by it with respect to this Agreement or any Credit Support Document to which it is a party and will use all reasonable efforts to obtain any that may become necessary in the future.

(c) **Comply with Laws.** It will comply in all material respects with all applicable laws and orders to which it may be subject if failure so to comply would materially impair its ability to perform its obligations under this Agreement or any Credit Support Document to which it is a party.

5. Events of Default and Termination Events

(a) **Events of Default.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any of the following events constitutes an event of default (an "Event of Default") with respect to such party:—

(i) **Failure to Pay or Deliver.** Failure by the party to make, when due, any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) required to be made by it if such failure is not remedied on or before the third Local Business Day after notice of such failure is given to the party;

(ii) **Breach of Agreement.** Failure by the party to comply with or perform any agreement or obligation (other than an obligation to make any payment under this Agreement or delivery under Section 2(a)(i) or 2(d) or to give notice of a Termination Event or any agreement or obligation under Section 4(a)) to be complied with or performed by the party in accordance with this Agreement if such failure is not remedied on or before the thirtieth day after notice of such failure is given to the party;

(iii) **Credit Support Default.**

(1) Failure by the party or any Credit Support Provider of such party to comply with or perform any agreement or obligation to be complied with or performed by it in accordance with any Credit Support Document if such failure is continuing after any applicable grace period has elapsed;

(2) the expiration or termination of such Credit Support Document or the failing or ceasing of such Credit Support Document to be in full force and effect for the purpose of this Agreement (in either case other than in accordance with its terms) prior to the satisfaction of all obligations of such party under each Transaction to which such Credit Support Document relates without the written consent of the other party; or

(3) the party or such Credit Support Provider disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, such Credit Support Document;

(iv) **Misrepresentation.** A representation made or repeated or deemed to have been made or repeated by the party or any Credit Support Provider of such party in this Agreement or any Credit Support Document proves to have been incorrect or misleading in any material respect when made or repeated or deemed to have been made or repeated;

(v) **Default under Specified Transaction.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party (1) defaults under a Specified

Transaction and, after giving effect to any applicable notice requirement or grace period, there occurs a liquidation of, an acceleration of obligations under, or an early termination of, that Specified Transaction, (2) defaults, after giving effect to any applicable notice requirement or grace period, in making any payment or delivery due on the last payment, delivery or exchange date of, or any payment on early termination of, a Specified Transaction (or such default continues for at least three Local Business Days if there is no applicable notice requirement or grace period) or (3) disaffirms, disclaims, repudiates or rejects, in whole or in part, a Specified Transaction (or such action is taken by any person or entity appointed or empowered to operate it or act on its behalf);

(vi) **Cross Default.** If "Cross Default" is specified in the Schedule as applying to the party, the occurrence or existence of (1) a default, event of default or other similar condition or event (however described) in respect of such party, any Credit Support Provider of such party or any applicable Specified Entity of such party under one or more agreements or instruments relating to Specified Indebtedness of any of them (individually or collectively) in an aggregate amount of not less than the applicable Threshold Amount (as specified in the Schedule) which has resulted in such Specified Indebtedness becoming, or becoming capable at such time of being declared, due and payable under such agreements or instruments, before it would otherwise have been due and payable or (2) a default by such party, such Credit Support Provider or such Specified Entity (individually or collectively) in making one or more payments on the due date thereof in an aggregate amount of not less than the applicable Threshold Amount under such agreements or instruments (after giving effect to any applicable notice requirement or grace period);

(vii) **Bankruptcy.** The party, any Credit Support Provider of such party or any applicable Specified Entity of such party:—

(1) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (2) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (3) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (4) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (A) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (B) is not dismissed, discharged, stayed or restrained in each case within 30 days of the institution or presentation thereof; (5) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (6) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (7) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 days thereafter; (8) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (1) to (7) (inclusive); or (9) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts; or

(viii) **Merger Without Assumption.** The party or any Credit Support Provider of such party consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and, at the time of such consolidation, amalgamation, merger or transfer:—

(1) the resulting, surviving or transferee entity fails to assume all the obligations of such party or such Credit Support Provider under this Agreement or any Credit Support Document to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other party to this Agreement; or

(2) the benefits of any Credit Support Document fail to extend (without the consent of the other party) to the performance by such resulting, surviving or transferee entity of its obligations under this Agreement.

(b) **Termination Events.** The occurrence at any time with respect to a party or, if applicable, any Credit Support Provider of such party or any Specified Entity of such party of any event specified below constitutes an Illegality if the event is specified in (i) below, and, if specified to be applicable, a Credit Event Upon Merger if the event is specified pursuant to (ii) below or an Additional Termination Event if the event is specified pursuant to (iii) below:—

(i) **Illegality.** Due to the adoption of, or any change in, any applicable law after the date on which a Transaction is entered into, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful (other than as a result of a breach by the party of Section 4(b)) for such party (which will be the Affected Party):—

(1) to perform any absolute or contingent obligation to make a payment or delivery or to receive a payment or delivery in respect of such Transaction or to comply with any other material provision of this Agreement relating to such Transaction; or

(2) to perform, or for any Credit Support Provider of such party to perform, any contingent or other obligation which the party (or such Credit Support Provider) has under any Credit Support Document relating to such Transaction;

(ii) **Credit Event Upon Merger.** If “Credit Event Upon Merger” is specified in the Schedule as applying to the party, such party (“X”), any Credit Support Provider of X or any applicable Specified Entity of X consolidates or amalgamates with, or merges with or into, or transfers all or substantially all its assets to, another entity and such action does not constitute an event described in Section 5(a)(viii) but the creditworthiness of the resulting, surviving or transferee entity is materially weaker than that of X, such Credit Support Provider or such Specified Entity, as the case may be, immediately prior to such action (and, in such event, X or its successor or transferee, as appropriate, will be the Affected Party); or

(iii) **Additional Termination Event.** If any “Additional Termination Event” is specified in the Schedule or any Confirmation as applying, the occurrence of such event (and, in such event, the Affected Party or Affected Parties shall be as specified for such Additional Termination Event in the Schedule or such Confirmation).

(c) **Event of Default and Illegality.** If an event or circumstance which would otherwise constitute or give rise to an Event of Default also constitutes an Illegality, it will be treated as an Illegality and will not constitute an Event of Default.

6. Early Termination

(a) **Right to Terminate Following Event of Default.** If at any time an Event of Default with respect to a party (the "Defaulting Party") has occurred and is then continuing, the other party (the "Non-defaulting Party") may, by not more than 20 days notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in the Schedule as applying to a party, then an Early Termination Date in respect of all outstanding Transactions will occur immediately upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(1), (3), (5), (6) or, to the extent analogous thereto, (8), and as of the time immediately preceding the institution of the relevant proceeding or the presentation of the relevant petition upon the occurrence with respect to such party of an Event of Default specified in Section 5(a)(vii)(4) or, to the extent analogous thereto, (8).

(b) **Right to Terminate Following Termination Event.**

(i) **Notice.** If a Termination Event occurs, an Affected Party will, promptly upon becoming aware of it, notify the other party, specifying the nature of that Termination Event and each Affected Transaction and will also give such other information about that Termination Event as the other party may reasonably require.

(ii) **Two Affected Parties.** If an Illegality under Section 5(b)(i)(1) occurs and there are two Affected Parties, each party will use all reasonable efforts to reach agreement within 30 days after notice thereof is given under Section 6(b)(i) on action to avoid that Termination Event.

(iii) **Right to Terminate.** If:—

(1) an agreement under Section 6(b)(ii) has not been effected with respect to all Affected Transactions within 30 days after an Affected Party gives notice under Section 6(b)(i); or

(2) an Illegality other than that referred to in Section 6(b)(ii), a Credit Event Upon Merger or an Additional Termination Event occurs,

either party in the case of an Illegality, any Affected Party in the case of an Additional Termination Event if there is more than one Affected Party, or the party which is not the Affected Party in the case of a Credit Event Upon Merger or an Additional Termination Event if there is only one Affected Party may, by not more than 20 days notice to the other party and provided that the relevant Termination Event is then continuing, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all Affected Transactions.

(c) **Effect of Designation.**

(i) If notice designating an Early Termination Date is given under Section 6(a) or (b), the Early Termination Date will occur on the date so designated, whether or not the relevant Event of Default or Termination Event is then continuing.

(ii) Upon the occurrence or effective designation of an Early Termination Date, no further payments or deliveries under Section 2(a)(i) or 2(d) in respect of the Terminated Transactions will be required to be made, but without prejudice to the other provisions of this Agreement. The amount, if any, payable in respect of an Early Termination Date shall be determined pursuant to Section 6(e).

(d) **Calculations.**

(i) **Statement.** On or as soon as reasonably practicable following the occurrence of an Early Termination Date, each party will make the calculations on its part, if any, contemplated by Section 6(e) and will provide to the other party a statement (1) showing, in reasonable detail, such calculations (including all relevant quotations and specifying any amount payable under Section 6(e)) and (2) giving details of the relevant account to which any amount payable to it is to be paid. In the absence of written confirmation from the source of a quotation obtained in determining a Market Quotation, the records of the party obtaining such quotation will be conclusive evidence of the existence and accuracy of such quotation.

(ii) **Payment Date.** An amount calculated as being due in respect of any Early Termination Date under Section 6(e) will be payable on the day that notice of the amount payable is effective (in the case of an Early Termination Date which is designated or occurs as a result of an Event of Default) and on the day which is two Local Business Days after the day on which notice of the amount payable is effective (in the case of an Early Termination Date which is designated as a result of a Termination Event). Such amount will be paid together with (to the extent permitted under applicable law) interest thereon (before as well as after judgment), from (and including) the relevant Early Termination Date to (but excluding) the date such amount is paid, at the Applicable Rate. Such interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(e) **Payments on Early Termination.** If an Early Termination Date occurs, the following provisions shall apply based on the parties' election in the Schedule of a payment measure, either "Market Quotation" or "Loss," and a payment method, either the "First Method" or the "Second Method." If the parties fail to designate a payment measure or payment method in the Schedule, it will be deemed that "Market Quotation" or the "Second Method," as the case may be, shall apply. The amount, if any, payable in respect of an Early Termination Date and determined pursuant to this Section will be subject to any Set-off.

(i) **Events of Default.** If the Early Termination Date results from an Event of Default:—

(1) **First Method and Market Quotation.** If the First Method and Market Quotation apply, the Defaulting Party will pay to the Non-defaulting Party the excess, if a positive number, of (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party over (B) the Unpaid Amounts owing to the Defaulting Party.

(2) **First Method and Loss.** If the First Method and Loss apply, the Defaulting Party will pay to the Non-defaulting Party, if a positive number, the Non-defaulting Party's Loss in respect of this Agreement.

(3) *Second Method and Market Quotation.* If the Second Method and Market Quotation apply, an amount will be payable equal to (A) the sum of the Settlement Amount (determined by the Non-defaulting Party) in respect of the Terminated Transactions and the Unpaid Amounts owing to the Non-defaulting Party less (B) the Unpaid Amounts owing to the Defaulting Party. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(4) *Second Method and Loss.* If the Second Method and Loss apply, an amount will be payable equal to the Non-defaulting Party's Loss in respect of this Agreement. If that amount is a positive number, the Defaulting Party will pay it to the Non-defaulting Party; if it is a negative number, the Non-defaulting Party will pay the absolute value of that amount to the Defaulting Party.

(ii) *Termination Events.* If the Early Termination Date results from a Termination Event:---

(1) *One Affected Party.* If there is one Affected Party, the amount payable will be determined in accordance with Section 6(e)(i)(3), if Market Quotation applies, or Section 6(e)(i)(4), if Loss applies, except that, in either case, references to the Defaulting Party and to the Non-defaulting Party will be deemed to be references to the Affected Party and the party which is not the Affected Party, respectively, and, if Loss applies and fewer than all the Transactions are being terminated, Loss shall be calculated in respect of all Terminated Transactions.

(2) *Two Affected Parties.* If there are two Affected Parties:---

(A) if Market Quotation applies, each party will determine a Settlement Amount in respect of the Terminated Transactions, and an amount will be payable equal to (I) the sum of (a) one-half of the difference between the Settlement Amount of the party with the higher Settlement Amount ("X") and the Settlement Amount of the party with the lower Settlement Amount ("Y") and (b) the Unpaid Amounts owing to X less (II) the Unpaid Amounts owing to Y; and

(B) if Loss applies, each party will determine its Loss in respect of this Agreement (or, if fewer than all the Transactions are being terminated, in respect of all Terminated Transactions) and an amount will be payable equal to one-half of the difference between the Loss of the party with the higher Loss ("X") and the Loss of the party with the lower Loss ("Y").

If the amount payable is a positive number, Y will pay it to X; if it is a negative number, X will pay the absolute value of that amount to Y.

(iii) *Adjustment for Bankruptcy.* In circumstances where an Early Termination Date occurs because "Automatic Early Termination" applies in respect of a party, the amount determined under this Section 6(e) will be subject to such adjustments as are appropriate and permitted by law to reflect any payments or deliveries made by one party to the other under this Agreement (and retained by such other party) during the period from the relevant Early Termination Date to the date for payment determined under Section 6(d)(ii).

(iv) *Pre-Estimate.* The parties agree that if Market Quotation applies an amount recoverable under this Section 6(e) is a reasonable pre-estimate of loss and not a penalty. Such amount is payable for the loss of bargain and the loss of protection against future risks and except as otherwise provided in this Agreement neither party will be entitled to recover any additional damages as a consequence of such losses.

7. Transfer

Neither this Agreement nor any interest or obligation in or under this Agreement may be transferred (whether by way of security or otherwise) by either party without the prior written consent of the other party, except that:—

(a) a party may make such a transfer of this Agreement pursuant to a consolidation or amalgamation with, or merger with or into, or transfer of all or substantially all of its assets to, another entity (but without prejudice to any other right or remedy under this Agreement); and

(b) a party may make such a transfer of all or any part of its interest in any amount payable to it from a Defaulting Party under Section 6(e).

Any purported transfer that is not in compliance with this Section will be void.

8. Miscellaneous

(a) *Entire Agreement.* This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) *Amendments.* No amendment, modification or waiver in respect of this Agreement will be effective unless in writing (including a writing evidenced by a facsimile transmission) and executed by each of the parties or confirmed by an exchange of telexes or electronic messages on an electronic messaging system.

(c) *Survival of Obligations.* Without prejudice to Sections 2(a)(iii) and 6(c)(ii), the obligations of the parties under this Agreement will survive the termination of any Transaction.

(d) *Remedies Cumulative.* Except as provided in this Agreement, the rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

(e) *Counterparts and Confirmations.*

(i) This Agreement (and each amendment, modification and waiver in respect of it) may be executed and delivered in counterparts (including by facsimile transmission), each of which will be deemed an original.

(ii) The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation shall be entered into as soon as practicable and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes or by an exchange of electronic messages on an electronic messaging system, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify

therein or through another effective means that any such counterpart, telex or electronic message constitutes a Confirmation.

(f) **No Waiver of Rights.** A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise, of that right, power or privilege or the exercise of any other right, power or privilege.

(g) **Headings.** The headings used in this Agreement are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Agreement.

9. Expenses

A Defaulting Party will, on demand, indemnify and hold harmless the other party for and against all reasonable out-of-pocket expenses, including legal fees, incurred by such other party by reason of the enforcement and protection of its rights under this Agreement or any Credit Support Document to which the Defaulting Party is a party or by reason of the early termination of any Transaction, including, but not limited to, costs of collection.

10. Notices

(a) **Effectiveness.** Any notice or other communication in respect of this Agreement may be given in any manner set forth below (except that a notice or other communication under Section 5 or 6 may not be given by facsimile transmission or electronic messaging system) to the address or number or in accordance with the electronic messaging system details provided (see the Schedule) and will be deemed effective as indicated:—

- (i) if in writing and delivered in person or by courier, on the date it is delivered;
- (ii) if sent by telex, on the date the recipient's answerback is received;
- (iii) if sent by facsimile transmission, on the date that transmission is received by a responsible employee of the recipient in legible form (it being agreed that the burden of proving receipt will be on the sender and will not be met by a transmission report generated by the sender's facsimile machine);
- (iv) if sent by certified or registered mail (airmail, if overseas) or the equivalent (return receipt requested), on the date that mail is delivered or its delivery is attempted; or
- (v) if sent by electronic messaging system, on the date that electronic message is received,

unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Local Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Local Business Day, in which case that communication shall be deemed given and effective on the first following day that is a Local Business Day.

(b) **Change of Addresses.** Either party may by notice to the other change the address, telex or facsimile number or electronic messaging system details at which notices or other communications are to be given to it.

11. Governing Law and Jurisdiction

(a) **Governing Law.** This Agreement will be governed by and construed in accordance with the law specified in the Schedule.

(b) **Jurisdiction.** With respect to any suit, action or proceedings relating to this Agreement (“Proceedings”), each party irrevocably:—

(i) submits to the jurisdiction of the English courts, if this Agreement is expressed to be governed by English law, or to the non-exclusive jurisdiction of the courts of the State of New York and the United States District Court located in the Borough of Manhattan in New York City, if this Agreement is expressed to be governed by the laws of the State of New York; and

(ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party.

Nothing in this Agreement precludes either party from bringing Proceedings in any other jurisdiction (outside, if this Agreement is expressed to be governed by English law, the Contracting States, as defined in Section 1(3) of the Civil Jurisdiction and Judgments Act 1982 or any modification, extension or re-enactment thereof for the time being in force) nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

(c) **Waiver of Immunities.** Each party irrevocably waives, to the fullest extent permitted by applicable law, with respect to itself and its revenues and assets (irrespective of their use or intended use), all immunity on the grounds of sovereignty or other similar grounds from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) and (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be entitled in any Proceedings in the courts of any jurisdiction and irrevocably agrees, to the extent permitted by applicable law, that it will not claim any such immunity in any Proceedings.

12. Definitions

As used in this Agreement:—

“**Additional Termination Event**” has the meaning specified in Section 5(b).

“**Affected Party**” has the meaning specified in Section 5(b).

“**Affected Transactions**” means (a) with respect to any Termination Event consisting of an Illegality, all Transactions affected by the occurrence of such Termination Event and (b) with respect to any other Termination Event, all Transactions.

“**Affiliate**” means, subject to the Schedule, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, “control” of any entity or person means ownership of a majority of the voting power of the entity or person.

“**Applicable Rate**” means:—

(a) in respect of obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Defaulting Party, the Default Rate;

(b) in respect of an obligation to pay an amount under Section 6(e) of either party from and after the date (determined in accordance with Section 6(d)(ii)) on which that amount is payable, the Default Rate;

(c) in respect of all other obligations payable or deliverable (or which would have been but for Section 2(a)(iii)) by a Non-defaulting Party, the Non-default Rate; and

(d) in all other cases, the Termination Rate.

“Consent” includes a consent, approval, action, authorization, exemption, notice, filing, registration or exchange control consent.

“Credit Event Upon Merger” has the meaning specified in Section 5(b).

“Credit Support Document” means any agreement or instrument that is specified as such in this Agreement.

“Credit Support Provider” has the meaning specified in the Schedule.

“Default Rate” means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the relevant payee (as certified by it) if it were to fund or of funding the relevant amount plus 1% per annum.

“Defaulting Party” has the meaning specified in Section 6(a).

“Early Termination Date” means the date determined in accordance with Section 6(a) or 6(b)(iii).

“Event of Default” has the meaning specified in Section 5(a) and, if applicable, in the Schedule.

“Illegality” has the meaning specified in Section 5(b).

“Law” includes any treaty, law, rule or regulation and **“lawful”** and **“unlawful”** will be construed accordingly.

“Local Business Day” means, subject to the Schedule, a day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) (a) in relation to any obligation under Section 2(a)(i), in the place(s) specified in the relevant Confirmation or, if not so specified, as otherwise agreed by the parties in writing or determined pursuant to provisions contained, or incorporated by reference, in this Agreement, (b) in relation to any other payment, in the place where the relevant account is located, (c) in relation to any notice or other communication, including notice contemplated under Section 5(a)(i), in the city specified in the address for notice provided by the recipient and, in the case of a notice contemplated by Section 2(b), in the place where the relevant new account is to be located and (d) in relation to Section 5(a)(v)(2), in the relevant locations for performance with respect to such Specified Transaction.

“Loss” means, with respect to this Agreement or one or more Terminated Transactions, as the case may be, and a party, an amount that party reasonably determines in good faith to be its total losses and costs (or gain, in which case expressed as a negative number) in connection with this Agreement or that Terminated Transaction or group of Terminated Transactions, as the case may be, including any loss of bargain, cost of funding or, at the election of such party but without duplication, loss or cost incurred as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position (or any gain resulting from any of them). Loss includes losses and costs (or gains) in respect of any payment or delivery required to have been made (assuming satisfaction of each applicable condition precedent) on or before the relevant Early Termination Date and not made, except, so as to avoid duplication, if Section

6(e)(i)(1) or (3) or 6(e)(ii)(2)(A) applies. Loss does not include a party's legal fees and out-of-pocket expenses referred to under Section 9. A party will determine its Loss as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. A party may (but need not) determine its Loss by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets.

"Market Quotation" means, with respect to one or more Terminated Transactions and a party making the determination, an amount determined on the basis of quotations from Reference Market-makers. Each quotation will be for an amount, if any, that would be paid to such party (expressed as a negative number) or by such party (expressed as a positive number) in consideration of an agreement between such party (taking into account any existing Credit Support Document with respect to the obligations of such party) and the quoting Reference Market-maker to enter into a transaction (the "Replacement Transaction") that would have the effect of preserving for such party the economic equivalent of any payment or delivery (whether the underlying obligation was absolute or contingent and assuming the satisfaction of each applicable condition precedent) by the parties under Section 2(a)(i) in respect of such Terminated Transaction or group of Terminated Transactions that would, but for the occurrence of the relevant Early Termination Date, have been required after that date. For this purpose, Unpaid Amounts in respect of the Terminated Transaction or group of Terminated Transactions are to be excluded but, without limitation, any payment or delivery that would, but for the relevant Early Termination Date, have been required (assuming satisfaction of each applicable condition precedent) after that Early Termination Date is to be included. The Replacement Transaction would be subject to such documentation as such party and the Reference Market-maker may, in good faith, agree. The party making the determination (or its agent) will request each Reference Market-maker to provide its quotation to the extent reasonably practicable as of the same day and time (without regard to different time zones) on or as soon as reasonably practicable after the relevant Early Termination Date. The day and time as of which those quotations are to be obtained will be selected in good faith by the party obliged to make a determination under Section 6(e), and, if each party is so obliged, after consultation with the other. If more than three quotations are provided, the Market Quotation will be the arithmetic mean of the quotations, without regard to the quotations having the highest and lowest values. If exactly three such quotations are provided, the Market Quotation will be the quotation remaining after disregarding the highest and lowest quotations. For this purpose, if more than one quotation has the same highest value or lowest value, then one of such quotations shall be disregarded. If fewer than three quotations are provided, it will be deemed that the Market Quotation in respect of such Terminated Transaction or group of Terminated Transactions cannot be determined.

"Non-default Rate" means a rate per annum equal to the cost (without proof or evidence of any actual cost) to the Non-defaulting Party (as certified by it) if it were to fund the relevant amount.

"Non-defaulting Party" has the meaning specified in Section 6(a).

"Potential Event of Default" means any event which, with the giving of notice or the lapse of time or both, would constitute an Event of Default.

"Reference Market-makers" means four leading dealers in the relevant market selected by the party determining a Market Quotation in good faith (a) from among dealers of the highest credit standing which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit and (b) to the extent practicable, from among such dealers having an office in the same city.

"Scheduled Payment Date" means a date on which a payment or delivery is to be made under Section 2(a)(i) with respect to a Transaction.

“Set-off” means set-off, offset, combination of accounts, right of retention or withholding or similar right or requirement to which the payer of an amount under Section 6 is entitled or subject (whether arising under this Agreement, another contract, applicable law or otherwise) that is exercised by, or imposed on, such payer.

“Settlement Amount” means, with respect to a party and any Early Termination Date, the sum of:—

(a) the Market Quotations (whether positive or negative) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation is determined; and

(b) such party’s Loss (whether positive or negative and without reference to any Unpaid Amounts) for each Terminated Transaction or group of Terminated Transactions for which a Market Quotation cannot be determined or would not (in the reasonable belief of the party making the determination) produce a commercially reasonable result.

“Specified Entity” has the meaning specified in the Schedule.

“Specified Indebtedness” means, subject to the Schedule, any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

“Specified Transaction” means, subject to the Schedule, (a) any transaction (including an agreement with respect thereto) now existing or hereafter entered into between one party to this Agreement (or any Credit Support Provider of such party or any applicable Specified Entity of such party) and the other party to this Agreement (or any Credit Support Provider of such other party or any applicable Specified Entity of such other party) which is a rate swap transaction, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, foreign exchange transaction, cap transaction, floor transaction, collar transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions), (b) any combination of these transactions and (c) any other transaction identified as a Specified Transaction in this Agreement or the relevant confirmation.

“Terminated Transactions” means with respect to any Early Termination Date (a) if resulting from a Termination Event, all Affected Transactions and (b) if resulting from an Event of Default, all Transactions (in either case) in effect immediately before the effectiveness of the notice designating that Early Termination Date (or, if “Automatic Early Termination” applies, immediately before that Early Termination Date).

“Termination Event” means an Illegality or, if specified to be applicable, a Credit Event Upon Merger or an Additional Termination Event.

“Termination Rate” means a rate per annum equal to the arithmetic mean of the cost (without proof or evidence of any actual cost) to each party (as certified by such party) if it were to fund or of funding such amounts.

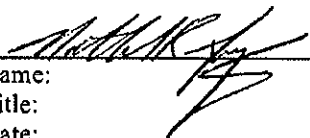
“Unpaid Amounts” owing to any party means, with respect to an Early Termination Date, the aggregate of (a) in respect of all Terminated Transactions, the amounts that became payable (or that would have become payable but for Section 2(a)(iii)) to such party under Section 2(a)(i) on or prior to such Early Termination Date and which remain unpaid as at such Early Termination Date and (b) in respect of each Terminated Transaction, for each obligation under Section 2(a)(i) which was (or would have been but for Section 2(a)(iii)) required to be settled by delivery to such party on or prior to such Early Termination Date and which has not been so settled as at such Early Termination Date, an amount

equal to the fair market value of that which was (or would have been) required to be delivered as of the originally scheduled date for delivery, in each case together with (to the extent permitted under applicable law) interest, in the currency of such amounts, from (and including) the date such amounts or obligations were or would have been required to have been paid or performed to (but excluding) such Early Termination Date, at the Applicable Rate. Such amounts of interest will be calculated on the basis of daily compounding and the actual number of days elapsed. The fair market value of any obligation referred to in clause (b) above shall be reasonably determined by the party obliged to make the determination under Section 6(e) or, if each party is so obliged, it shall be the average of the fair market values reasonably determined by both parties.

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

BEAR STEARNS CAPITAL MARKETS INC.

JEFFERSON COUNTY, ALABAMA

By:  _____
Name:
Title:
Date:

By: _____
Name:
Title:
Date:

IN WITNESS WHEREOF the parties have executed this document on the respective dates specified below with effect from the date specified on the first page of this document.

BEAR STEARNS CAPITAL MARKETS INC.

JEFFERSON COUNTY, ALABAMA

By: _____

Name:
Title:
Date:

By: Ray J. Langford

Name: Ray Langford
Title: President of County Commission
Date: June 10, 2004

SCHEDULE

to the

MASTER AGREEMENT
(Local Currency- Single Jurisdiction)

dated as of May 1, 2004

between **BEAR STEARNS CAPITAL MARKETS INC.**, a Delaware corporation ("Party A"), and **JEFFERSON COUNTY, ALABAMA**, a political subdivision organized under the laws of the State of Alabama ("Party B").

Part 1
Termination Provisions

(a) **"Specified Entity"** means in relation to Party A for the purpose of:

| | |
|--------------------|-----------------------|
| Section 5(a)(v), | Affiliates of Party A |
| Section 5(a)(vi), | Not Applicable |
| Section 5(a)(vii), | Not Applicable |
| Section 5(b)(ii), | Not Applicable |

and in relation to Party B for the purpose of:

| | |
|--------------------|----------------|
| Section 5(a)(v), | Not Applicable |
| Section 5(a)(vi), | Not Applicable |
| Section 5(a)(vii), | Not Applicable |
| Section 5(b)(ii), | Not Applicable |

(b) The **"Default under Specified Transactions"** provision of Section 5(a)(v), as modified in Part 4 below, will apply to Party A and to Party B.

To the extent such provisions apply:

"Specified Transaction" will have the meaning set forth in Part 4 below.

(c) The **"Cross Default"** provisions of Section 5(a)(vi) will apply to Party A and to Party B.

The following provisions apply:

"Specified Indebtedness" means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money and, in the case of Party B, in respect of any mortgage, lease agreement or other instrument to which Party B is a party that secures, evidences or guarantees, directly or indirectly, any obligation or indebtedness for borrowed money of any party.

“Threshold Amount” means, in the case of Party A and Party B, \$25,000,000.

(d) The **“Credit Event Upon Merger”** provision of Section 5(b)(ii) will not apply to Party A or to Party B.

(e) The **“Automatic Early Termination”** provision of Section 6(a) will not apply to Party A or Party B.

(f) **Payments on Early Termination.** For the purpose of Section 6(e) of this Agreement the Second Method and Market Quotation will apply.

(g) **“Additional Termination Event”** will apply.

Each of the following shall constitute an Additional Termination Event under Section 5(b)(iii) of the Agreement, and with respect to each such Additional Termination Event, Party B shall be the sole Affected Party:

(i) The long term sewer revenue indebtedness of Party B is rated lower than BBB by Standard & Poor’s Corporation (“S&P”) or lower than Baa2 by Moody’s Investor’s Service, Inc. (“Moody’s”) and Party B has not within 10 days (A) executed and delivered a collateral agreement satisfactory in form and substance to Party A providing for the collateralization of Party B’s obligations under this Agreement or (B) obtained an insurance policy by a financial insurer satisfactory to Party A (a “Substitute Credit Provider”) insuring the prompt and timely performance of Party B’s obligations hereunder.

(ii) The long term sewer revenue indebtedness of Party B is rated lower than BBB- by S&P or lower than Baa3 by Moody’s and Party B has not within 10 days obtained an insurance policy by a Substitute Credit Provider insuring the prompt and timely performance of Party B’s obligations hereunder.

(iii) Party B, without the prior written consent of Party A, amends the Covered Indenture (as hereinafter defined) in a manner that materially adversely affects Party A, as determined by Party A in its sole discretion.

(h) **Events of Default**

(i) **Bankruptcy.** Clause (6) of Section 5(a)(vii) of this Agreement is hereby amended to read in its entirety as follows:

“(6)(A) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets or (B) in the case of a Government Entity, any Credit Support Provider of such Government Entity or any applicable Specified Entity of such Government Entity, (I) there shall be appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or (II) there shall be declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the

existence of a state of financial emergency or similar state of financial distress in respect of it;”

- (ii) **Moratorium.** Section 5(a) of this Agreement is hereby amended by adding the following subsection (“ix”) thereto, which subsection shall only apply to Party B:

“(ix) *Moratorium.* A moratorium (whether *de facto* or *de jure*) in the payment or settlement of any indebtedness under the Covered Indenture or indebtedness in which Party B is the obligor and not acting as a conduit.”

- (iii) **Challenge to Validity.** Section 5(a) of this Agreement is hereby amended by adding the following subsection (“x”) thereto:

“(x) *Repudiation or Challenge to Validity.* The party, or any entity or any duly authorized person acting on behalf of such party, disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of this Agreement.”

Part 2
Agreement to Deliver Documents

For the purpose of Section 4(a) of this Agreement, each party agrees to deliver the following documents, as applicable:

| <u>PARTY REQUIRED TO DELIVER</u> | <u>FORM/DOCUMENT/CERTIFICATE</u> | <u>DATE BY WHICH TO BE DELIVERED</u> | <u>COVERED BY SECTION 3(d)</u> |
|--|---|---|--|
| Party A and Party B | Certified copies of all documents evidencing necessary corporate and other authorizations and approvals with respect to the execution, delivery and performance by the party and any Credit Support Provider of this Agreement, any Credit Support Document and amendments thereto and any Confirmation, including, where applicable, certified copies of the resolutions of its Board of Directors authorizing the execution and delivery of this Agreement, the relevant Credit Support Document or any Confirmation. | Upon execution of this Agreement and promptly at the request of the other party upon execution of a Confirmation. | Yes |
| Party A and Party B | A certificate of an authorized officer of the party and any Credit Support Provider as to the incumbency and authority of the officers of the party and any Credit Support Provider signing this Agreement, any Credit Support Document or any Confirmation. | Upon execution of this Agreement and promptly at the request of the other party upon execution of a Confirmation. | Yes |

| <u>PARTY REQUIRED TO DELIVER</u> | <u>FORM/DOCUMENT/CERTIFICATE</u> | <u>DATE BY WHICH TO BE DELIVERED</u> | <u>COVERED BY SECTION 3(d)</u> |
|--|---|---|--|
| Party A And Party B | A copy of the most recent publicly available annual report (and each annual report thereafter) of each party and its Credit Support Provider (if any), containing in all cases audited consolidated financial statements for each fiscal year during which this Agreement is in effect certified by the an outside auditor and prepared in accordance with generally accepted governmental accounting principles in the United States or in the country in which such party is organized. | Promptly after request by the other party. | Yes |
| Party A And Party B | A copy of unaudited consolidated financial statements of Party A and its Credit Support Provider (if any), with respect to Party A, and of the Credit Support Provider of Party B, with respect to Party B, in each case for each fiscal quarter during which this Agreement is in effect prepared in accordance with generally accepted accounting principles in the United States or in the country in which such party is organized. | Promptly after request by the other party. | Yes |
| Party A | A Guaranty of The Bear Stearns Companies Inc. in the form set forth in Exhibit I attached hereto. | Upon execution of this Agreement. | No |
| Party A | An opinion of counsel to Party A addressed to Party B substantially in the form set forth in Exhibit II Attached hereto and covering such other matters as reasonably requested by the receiving party. | Upon execution of this Agreement. | No |
| Party B | An opinion of counsel to Party B addressed to Party A substantially in the form set forth in Exhibit III attached hereto and covering such other matters as reasonably requested by the receiving party. | Upon execution of this Agreement. | No |
| Party B | Certificate of Party B as to (i) the Debt Service Coverage (as such term is defined in the Covered Indenture) (actual coverage | Upon execution of this Agreement and annually | Yes |

| <u>PARTY REQUIRED TO DELIVER</u> | <u>FORM/DOCUMENT/CERTIFICATE</u> | <u>DATE BY WHICH TO BE DELIVERED</u> | <u>COVERED BY SECTION 3(d)</u> |
|--|--|--|--|
| | compared to the required coverage), (ii) the Rate Stabilization Fund (actual balance), and (iii) the Depreciation Fund (actual balance). | thereafter as soon as practicable following the close of Party B's most recent fiscal year | |

Part 3
Miscellaneous

- (a) **Addresses for Notices.** For the purpose of Section 10(a) of this Agreement:

Address for notices or communications to Party A:

Address: One Metrotech Center North, Brooklyn, New York 11201
 Attention: Derivative Operations - 7th Floor
 Facsimile: (212) 272-1634

For purposes of Sections 5 and 6, a copy to:

Address: 383 Madison Avenue, New York, New York 10179
 Attention: Derivatives/Legal – 6th Floor
 Facsimile: (212) 272-2549

Addresses for notices or communications to Party B:

Address: 716 Dr. Richard A. Arrington Jr. Boulevard North, Suite 810
 Birmingham, Alabama 35203
 Attention: Director of Finance
 Facsimile: (205) 325-5841
 Telephone: _____

- (b) **Calculation Agent.** The Calculation Agent is Party A.
- (c) **Credit Support Document.** “Credit Support Document” means (i) in relation to Party A, the Guaranty of The Bear Stearns Companies Inc. (“TBSCI”) in the form attached hereto as Exhibit I and the ISDA Credit Support Annex attached hereto as Exhibit IV, and (ii) in relation to Party B, the Covered Indenture.
- (d) **Credit Support Provider.** Credit Support Provider means, in relation to Party A, TBSCI. Credit Support Provider means, in relation to Party B, not applicable.
- (e) **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New York (without reference to choice of law doctrine).

- (f) **Netting of Payments.** Subparagraph (ii) of Section 2(c) of this Agreement will apply.

Part 4
Other Provisions

- (a) **Definitions.** This Agreement and each Confirmation incorporate the 2000 ISDA Definitions (the "2000 Definitions") and the 1992 ISDA U.S. Municipal Counterparty Definitions (the "1992 Muni Definitions" and together, the "Definitions"). In the event of any inconsistency between the provisions contained in this Agreement and those contained in the Definitions, the provisions contained in this Agreement will prevail. In the event of any inconsistency between the provisions contained in a Confirmation and those contained in the Definitions, the provisions contained in such Confirmation shall prevail unless otherwise specified in a Confirmation or other writing signed by the parties. In the event of any inconsistency between the 2000 Definitions and the 1992 Muni Definitions, the 1992 Muni Definitions shall prevail.
- (b) **Modifications to Termination Provisions.**
- (i) Default under Specified Transactions
- (A) Section 5(a)(v) is hereby amended by deleting the phrase "for at least three Local Business Days" in the seventh line thereof and replacing it with the phrase "for at least one Local Business Day".
- (B) "Specified Transaction," as defined in Section 12 of this Agreement, is hereby amended (a) by inserting between "(b)" and the word "any" in the ninth line thereof the following clause: "all financial transactions and agreements entered into between Party A (or any Credit Support Provider of such party or any applicable Specified Entity of such Party) and Party B (or any Credit Support Provider of such party or any applicable Specified Entity of such party), including, without limitation, futures, stock lending agreements, repurchase agreements and reverse repurchase agreements, loans of any kind, purchases and sales of equity and debt securities of any kind, including mortgages, whether or not on margin, (c)" and (b) by replacing the words "and (c)" in the ninth line thereof with "and (d)".
- (c) **Procedures for Entering into Transactions; Recording.**
- (i) With respect to each Transaction entered into pursuant to this Agreement, Party A will, on or promptly after the Trade Date thereof, send Party B a Confirmation substantially in the standard form of Confirmation utilized by Party A, or in such other form as mutually agreed upon by the parties. Party B will promptly thereafter confirm the accuracy of, or request the correction of, such Confirmation (in the latter case, indicating how it believes the terms of such Confirmation should be correctly stated and such other terms which should be added to, or deleted from, such Confirmation to make it correct).
- (ii) Each party hereto consents to the monitoring or recording, at any time and from time to time, by the other party of any and all communications between officers or employees of the parties, waives any further notice of such monitoring or recording, and agrees to notify its officers and employees of such monitoring or recording.

- (d) **Transfer.** Section 7 of this Agreement is hereby amended by inserting the following at the end thereof:—

“Notwithstanding the foregoing, Party A may transfer this Agreement and all of its interests or obligations in or under this Agreement to TBSCI or any of TBSCI’s Affiliates, provided that if such transfer is to an entity other than TBSCI, Party B is furnished with a Guaranty of TBSCI of such transferee’s obligation in substantially the form of the Guaranty of TBSCI delivered in connection with this Agreement. Upon such assignment Party A shall be fully released from any and all obligations and liabilities related to the interests assigned.”

- (e) **Additional Representations.**

- (i) The first sentence of Section 3 is amended to read in its entirety as follows:

“Each party represents to the other party (which representation will be deemed to be repeated on each date on which a Transaction is entered into and, in the case of the representations in Section 3(a) of this Agreement, at all times until the termination of this Agreement) the following:”

- (ii) Section 3 of the Agreement is hereby amended by adding at the end thereof the following subsections (e) and (f):

“(f) **Relationship Between Parties.**

- (i) Each party will be deemed to represent to the other party on the date on which it enters into a Transaction that (absent a written agreement between the parties that expressly imposes affirmative obligations to the contrary for that Transaction):-

(a) **Non-Reliance.** It is acting for its own account, and it has made its own independent decisions to enter into that Transaction and as to whether that Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into that Transaction; it being understood that information and explanations related to the terms and conditions of a Transaction shall not be considered investment advice or a recommendation to enter into that Transaction. It has not received from the other party any assurance or guarantee as to the expected results of that Transaction.

(b) **Evaluation and Understanding.** It is capable of evaluating and understanding (on its own behalf or through independent professional advice), and understands and accepts, the terms, conditions and risks of that Transaction. It is also capable of assuming, and assumes, the financial and other risks of that Transaction.

- (c) **Purpose.** It is entering into this Agreement, any Credit Support Document, this Transaction and such other documentation for the purposes of managing its borrowings or investments, hedging its underlying assets or liabilities or, with respect to Party A, in connection with a line of business. Party B further represents it is not entering into this Agreement and each Transaction for purposes of speculation.
- (d) **Status of Parties.** Eligible Contract Participant. It constitutes an "eligible contract participant" as such term is defined in Section 1a(12) of the Commodity Exchange Act, as amended.
 - (ii) The representations and agreements in Part 4(e) of this Schedule shall be deemed representations and agreements for all purposes of this Agreement, including without limitation Sections 3, 4, 5(a)(ii) and 5(a)(iv) hereof.
- (g) **No Immunity.** It is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets (irrespective of their use or intended use) from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) or (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be made subject to in any Proceedings (as defined in Section 11(b)) in the courts of any jurisdiction and no such immunity (whether or not claimed) may be attributed to such party or its revenues or assets."
- (f) **Additional Agreements.**
 - (i) The introductory clause of Section 4 of this Agreement is hereby amended to read in its entirety as follows:--

"Each party agrees with the other (and, in case of Section 4(d), Party B agrees with Party A) that, so long as either party has or may have any obligation under this Agreement or under any Credit Support Document to which it is a party:"
 - (ii) Section 4 of this Agreement is hereby amended by adding the following subsections (d), (e) and (f) thereto;
 - "(d) **Qualified Swap.** The parties intend for the various Transactions undertaken pursuant to this Agreement to constitute "**Qualified Swaps**" under the terms of the Trust Indenture dated as of February 1, 1997, as heretofore or hereafter supplemented or amended in accordance with its terms (as so supplemented or amended, the "**Covered Indenture**") between Party B and The Bank of New York, as successor to AmSouth Bank of Alabama, as trustee (the "**Trustee**"). Unless the parties otherwise agree in writing, with respect to each Transaction undertaken pursuant to this Agreement, Party B will deliver to the Trustee a written notice (i) stating that it has designated such Transaction as a Qualified Swap (as defined in the Covered Indenture) and (ii) identifying the particular Parity Securities to which such Qualified Swap relates. Furthermore,

unless the parties otherwise agree in writing, Party B shall direct the Trustee to treat each Transaction so designated as a Qualified Swap as a Secured Related Obligation (as defined in the Covered Indenture), to the end that the obligations of Party B with respect to such Transaction (other than amounts payable by Party B as a consequence of an early termination of such Transaction) may be paid from the Debt Service Fund established by the Covered Indenture and secured by the pledge of revenues made in the Covered Indenture. Termination payments shall be payable solely from System Revenues on a basis subordinate only to the payment of debt service on Parity Securities and payments of Secured Related Obligations (as defined in the Covered Indenture); provided that they may be secured and payable on a parity with termination payments with respect to other Qualified Swaps and Subordinate Indebtedness permitted under the Covered Indenture.

(e) **Compliance with Covered Indenture.** Party B will observe, perform and fulfill each provision in the Covered Indenture applicable to it in effect on the date of this Agreement, as any of those provisions may be amended, supplemented or modified for purposes of this Agreement with the prior written consent of Party A (the "**Incorporated Provisions**"), with the effect that Party A will have the benefit of each of the Incorporated Provisions (including without limitation, covenants, right to consent to certain actions subject to consent under the Covered Indenture and delivery of financial statements and other notices and information). In the event the Covered Indenture ceases to be in effect prior to the termination of this Agreement, the Incorporated Provisions (other than those provisions requiring payments in respect of bonds, notes, warrants or other similar instruments issued under the Covered Indenture) will remain in full force and effect for purposes of this Agreement as though set forth herein until such date on which all of the obligations of Party B under this Agreement have been fully satisfied. The Incorporated Provisions are hereby incorporated by reference and made a part of this Agreement to the same extent as if such provisions were set forth herein. For purposes of this Agreement, the Incorporated Provisions shall be construed as though (i) all references therein to any party making loans, extensions of credit or financial accommodations thereunder or commitments therefor (the "**Financings**") were to Party A and (ii) to the extent that such Incorporated Provisions are conditioned on or relate to the existence of such Financing or Party B having any obligations in connection therewith, all references to such Financings or obligations were to the obligations of Party B under this Agreement; *provided, however,* that the obligations of Party B under this Agreement shall not be taken into account in determining whether or not Party B is entitled to issue Additional Parity Securities under the Covered Indenture, except to the extent that any Transaction has been designated as a Qualified Swap under the Covered Indenture and, as such, shall be taken into account in the calculation of Maximum Annual Debt Service on any related Parity Securities as set forth in the Covered Indenture. Any amendment, supplement, modification or waiver of any of the Incorporated Provisions without the prior written consent of Party A shall have no force and effect with respect to this Agreement. Any amendment, supplement or modification for which such consent is obtained shall be part of the Incorporated Provisions for purposes of this Agreement.

(f) **Subordinate Indebtedness.** Party B hereby agrees that prior to the issuance of any Subordinate Indebtedness as permitted under Section 10.3 of the Covered Indenture, Party B will take all necessary action and obtain all required

authorizations, including all consents of any parties which have incorporated provisions of the Covered Indenture in agreements with Party B, to amend the Covered Indenture to allow for termination payments to be secured by a lien on and payable from the pledge of revenues made in the Covered Indenture on a parity with Subordinate Obligations.”

- (g) **Set-off.** “Set-off” shall, for purposes of this Agreement and any Credit Support Document, have the meaning set forth in Section 14 and shall include without limitation the rights in Section 6(f). Section 6 of this Agreement is modified to include the following additional sub-clause (f):

“(f) **Set-off.** Any amount (the “Early Termination Amount”) payable to one party (the “Payee”) by the other party (the “Payer”) under Section 6(e), in circumstances where there is a Defaulting Party or one Affected Party will, at the option of the party (“X”) other than the Defaulting Party or Affected Party (and without prior notice to same) be reduced by its set-off against any amount(s) (the “Other Agreement Amount”) payable (whether at such time or in the future or upon the occurrence of a contingency) by the Payee to the Payer (irrespective of the currency, place of payment or booking office of such obligation) under any other agreement(s) between the Payee and the Payer or instrument(s) or undertaking(s) issued or executed by one party to, or in favor of, the other party (and the Other Agreement Amount(s) will be discharged promptly and in all respects to the extent it is so set-off). X will give notice to the other party of any set-off effected under this Section 6(f).

For this purpose, either the Early Termination Amount or the Other Agreement Amount (or the relevant portion of such amounts) may be converted by X into the currency in which the other is denominated at the rate of exchange at which such party would be able, acting in a reasonable manner and in good faith, to purchase the relevant amount of such currency.

If an obligation is unascertained, X may in good faith estimate that obligation and set-off in respect of the estimate, subject to the relevant party accounting to the other when the obligation is ascertained.

Nothing in this Section 6(f) shall be effective to create a charge or other security interest. This Section 6(f) shall be without prejudice and in addition to any right of set-off otherwise available to a party (whether by operation of law, contract, or otherwise).”

- (h) **Severability.** If any term, provision, covenant, or condition of this Agreement, or the application thereof to any party or circumstance, shall be held to be invalid or unenforceable (in whole or in part) for any reason, the remaining terms, provisions, covenants, and conditions hereof shall continue in full force and effect as if this Agreement had been executed with the invalid or unenforceable portion eliminated, so long as this Agreement as so modified continues to express, without material change, the original intentions of the parties as to the subject matter of this Agreement and the deletion of such portion of this Agreement will not substantially impair the respective benefits or expectations of the parties.
- (i) **Waiver of Jury Trial.** Each party irrevocably waives any and all right to trial by jury in any legal proceeding in connection with this Agreement or any Transaction. Each party (i) certifies that no representative, agent or attorney of the other party or any Credit Support Provider has represented, expressly or otherwise, that such other party would not, in the event of such a suit, action or proceeding, seek to enforce the foregoing waiver and (ii) acknowledges that it and the other party

have been induced to enter into this agreement and provide for any Credit Support Document, as applicable, by, among other things, the mutual waivers and certifications in this section.

(j) **Disclaimer of General Liability.** Any obligation of Party B under this Agreement shall be payable solely from the System Revenues (as defined in the Covered Indenture). In no event shall any obligation of Party B under this Agreement be treated or regarded as a general obligation or pledge of the full faith and credit of Party B or a claim on the taxing power of Party B or a charge against any debt limit imposed on Party B by the constitution and laws of the State of Alabama.

(k) **Assignment.** Section 7 this Agreement is hereby amended by adding the following subparagraph (c) thereto:

“(c) Party A shall have the right to assign its rights hereunder, including but not limited to its right to make claims against Party B, to any insurer or its successor or assign, providing insurance with respect to the performance of Party B’s obligations hereunder, upon an Event of Default or Termination Event where Party B is the Defaulting Party or the Affected Party as the case may be.”

IN WITNESS WHEREOF, the parties have executed and delivered this document as of the date specified on the first page of this document.

BEAR STEARNS CAPITAL MARKETS INC.

**JEFFERSON COUNTY,
ALABAMA**

By: 
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed and delivered this document as of the date specified on the first page of this document.

BEAR STEARNS CAPITAL MARKETS INC.

JEFFERSON COUNTY,
ALABAMA

By: _____
Name:
Title:

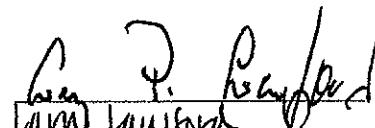
By: 
Name: Gary Langford
Title: President of County Commission

EXHIBIT I

FORM OF GUARANTY OF [GUARANTOR]

GUARANTY

GUARANTY, dated as of May __, 2004 by THE BEAR STEARNS COMPANIES INC., a Delaware corporation (the "Guarantor"), in favor of Jefferson County, Alabama, a political subdivision organized under the laws of the State of Alabama (the "Beneficiary").

1. Guaranty

- (a) To induce the Beneficiary to enter into an ISDA Master Agreement as of even date herewith and one or more Transactions as of various dates (together, the "Agreement"; terms capitalized but not otherwise defined herein being used herein as therein defined) with BEAR STEARNS CAPITAL MARKETS INC. ("BSCM"), subject to the terms and conditions set forth herein, the Guarantor irrevocably and unconditionally guarantees to the Beneficiary, its successors and permitted assigns, the prompt payment by BSCM on demand, of any amount due and payable to the Beneficiary under the Agreement, subject to any applicable grace period thereunder (the "Obligations").
- (b) The Guarantor hereby waives acceptance of this Guaranty, diligence, promptness, presentment, demand on BSCM for payment, protest of nonpayment and all notices of any kind. In addition, the Guarantor's obligations hereunder shall not be affected by the existence, validity, enforceability, perfection, or extent of any collateral therefor. The Beneficiary shall not be obligated to proceed against BSCM before claiming under the Guaranty nor to file any claim relating to the Obligations in the event that BSCM becomes subject to a bankruptcy, reorganization or similar proceeding, and the failure of the Beneficiary so to file shall not affect the Guarantor's obligations hereunder. The Guarantor agrees that its obligations under this Guaranty constitute a guaranty of payment and not of collection.

2. Consents, Waivers and Renewals

The Guarantor agrees that the Beneficiary, may at any time and from time to time, either before or after the maturity thereof, without notice to or further consent of the Guarantor, extend the time of payment of, exchange or surrender any collateral for, or renew any of the Obligations, and may also make any agreement with BSCM or with any other party to or person liable on any of the Obligations, or interested therein, for the extension, renewal, payment, compromise, discharge or release thereof, in whole or in part, or for any modification of the terms thereof or of any agreement between the Beneficiary and BSCM or any such other party or person, without in any way impairing or affecting this Guaranty. The Guarantor agrees that the Beneficiary may resort to the Guarantor for payment of any of

the Obligations, whether or not the Beneficiary shall have resorted to any collateral security, or shall have proceeded against any other obligor principally or secondarily obligated with respect to any of the Obligations.

3. Expenses

The Guarantor agrees to pay on demand all out-of-pocket expenses (including without limitation the reasonable fees and disbursements of Beneficiary's counsel) incurred in the enforcement or protection of the rights of the Beneficiary hereunder; provided that the Guarantor shall not be liable for any expenses of the Beneficiary if no payment under this Guaranty is due.

4. Subrogation

The Guarantor will not exercise any rights that it may acquire by way of subrogation until all Obligations to the Beneficiary shall have been paid in full. If any amount shall be paid to the Guarantor in violation of the preceding sentence, such amount shall be held for the benefit of the Beneficiary and shall forthwith be paid to the Beneficiary to be credited and applied to the Obligations, whether matured or unmatured. Subject to the foregoing, upon payment of all the Obligations, the Guarantor shall be subrogated to the rights of the Beneficiary against BSCM and the Beneficiary agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

5. Cumulative Rights

No failure on the part of the Beneficiary to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by the Beneficiary of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to the Beneficiary or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by the Beneficiary from time to time.

6. Representations and Warranties

- (a) The Guarantor is a corporation duly existing under the laws of the State of Delaware.
- (b) The execution, delivery and performance of this Guaranty have been duly authorized by all necessary corporate action and do not conflict with any provision of law or any regulation or of the Guarantor's charter or by-laws or of any agreement binding upon it.
- (c) No consent, licenses, approvals and authorizations of and registrations with or declarations to any governmental authority are required in connection with the execution, delivery and performance of this Guaranty.

- (d) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, subject as to enforcement to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

7. Continuing Guaranty

The Guaranty shall remain in full force and effect and be binding upon the Guarantor and its successors and permitted assigns, and inure to the benefit of the Beneficiary and its successors and permitted assigns, until all of the Obligations have been satisfied in full. In the event that any payment by BSCM in respect of any Obligations is rescinded or must otherwise be returned for any reason whatsoever, the Guarantor shall remain liable hereunder in respect of such Obligations as if such payment had not been made.

8. Notices

All notices in connection with this Guaranty shall be deemed effective, if in writing and delivered in person or by courier, on the date delivered to the following address (or such other address which the Guarantor shall notify the Beneficiary of in writing):

THE BEAR STEARNS COMPANIES INC.
383 Madison Avenue, New York, New York 10179
Attention: Derivatives - 4th Floor
With a copy to: Legal - 3rd Floor

9. Governing Law

The Guaranty shall be governed by, and construed in accordance with, the laws of the State of New York, without reference to choice of law doctrine.

IN WITNESS WHEREOF, this Guaranty has been duly executed and delivered by the Guarantor to the Beneficiary as of the date first above written.

THE BEAR STEARNS COMPANIES INC.

By: _____
Name:
Title:

EXHIBIT II

FORM OF OPINION OF COUNSEL OF PROVIDER AND GUARANTOR

Dear Sirs:

This opinion is furnished to you pursuant to the Master Agreement dated as of May 1, 2004 (the "Agreement") between Bear Stearns Capital Markets Inc. ("BSCM") and Jefferson County, Alabama ("Issuer"). Terms defined in the Agreement and used but not defined herein have the meanings given to them in the Agreement.

I have acted as counsel to BSCM and The Bear Stearns Companies Inc. ("TBSCI") in connection with the preparation, execution and delivery of the Agreement by BSCM and the preparation, execution and delivery of the Guaranty dated May __, 2004 (the "Guaranty") given by TBSCI. In that connection I or my staff working under my supervision have examined such documents as we have deemed necessary or appropriate for the opinions expressed herein.

The opinions set forth herein are limited to the laws of the State of New York, and the federal laws of the United States.

Based on the foregoing and upon such investigations as we have deemed necessary, we are of the opinion that, subject, in the case of the opinions set forth in paragraph 4 below, to the qualifications set forth in the last paragraph of this opinion:

- (1) Each of BSCM and TBSCI is duly organized, validly existing, and in good standing under the laws of its jurisdiction of incorporation and has the corporate power and authority to execute and deliver, and to perform its obligations under, the Agreement.
- (2) The execution and delivery of the Agreement by BSCM and the execution and delivery of the Guaranty by TBSCI, and any other agreement which BSCM or TBSCI has executed and delivered pursuant thereto, and the performance of its obligations thereunder have been and remain duly authorized by all necessary action and do not contravene any provision of its certificate of incorporation or by-laws (or equivalent constitutional documents) or any law, regulation or contractual restriction binding on or affecting BSCM, TBSCI or any of their respective property.
- (3) All consents, authorizations and approvals required for the execution and delivery by BSCM of the Agreement and by TBSCI of the Guaranty, and any other agreement which BSCM or TBSCI has executed and delivered pursuant thereto, and the performance of its obligations thereunder have been obtained and remain in full force and effect, all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with any governmental authority or regulatory body is required for such execution, delivery or performance.
- (4) The Agreement, and any other agreement which BSCM has executed and delivered pursuant thereto, has been duly executed and delivered by BSCM and constitutes the legal, valid and binding obligation of BSCM, enforceable against BSCM in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

- (5) The Guaranty has been duly executed and delivered by TBSCI and constitutes the legal, valid and binding obligation of TBSCI, enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).
- (6) There is no action, suit or proceeding pending against, or to the knowledge, having made due investigation, threatened against or affecting BSCM before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which could materially adversely affect the ability of BSCM to perform the Agreement or which in any manner questions the validity of the Agreement.

The opinions set forth in paragraph 4 above are subject to the qualification that we express no opinion regarding the legality, validity, binding effect or enforceability of Section 6(e) of the Agreement insofar as it purports to obligate a party, on termination of the Agreement, to pay an amount in excess of that measured by the lowest quotation from a Reference Market-maker. In addition, in connection with any such early termination on the grounds of default, a court might limit the non-Defaulting Party's recovery to its actual damages in the circumstances, imposing its own settlement procedures in lieu of the provisions of Section 6(e) of the Agreement.

Very truly yours,

EXHIBIT III

FORM OF OPINION OF COUNSEL OF ISSUER

Bear Stearns Capital Markets
245 Park Avenue
New York City, New York 10167

The Bear Stearns Companies Inc.
245 Park Avenue
New York City, New York 10167

May __, 2004

Ladies and Gentlemen:

We have acted as counsel to Jefferson County, Alabama (the "Issuer") in connection with the authorization, execution and delivery of, among other documents, the ISDA Master Agreement dated as of May 1, 2004, including the Schedule and Credit Support Annex thereto and the Confirmation thereunder dated May __, 2004 (collectively, the "Agreement"), between the Issuer and Bear Stearns Capital Markets Inc.

Based on the foregoing, we are of the opinion that:

1. The Issuer is a validly existing political subdivision of the State of Alabama.
2. The Issuer has the requisite power and authority to enter into the Agreement and to perform its obligations thereunder, and the Agreement has been duly authorized, executed and delivered by the Issuer and constitutes the valid and binding obligation of the Issuer enforceable in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditor's rights and to general equity principles; provided, however, that we express no opinion with respect to the enforceability of those provisions of the Agreement regarding governing law, submission to the jurisdiction of particular courts outside the state of Alabama or waiver of the right to trial by jury.
3. The Issuer is not required to obtain any authorization, consent, approval, registration, exemption or license from or to file any registration with any governmental authority as a condition to the validity of, or for the execution and delivery of, the Agreement or to the performance by the Issuer of its obligations thereunder.
4. There is no action, suit or proceeding pending against, or to our knowledge, having made due investigation, threatened against or affecting the Issuer before any court or arbitrator or any governmental body, agency or official in which there is a reasonable possibility of an adverse decision which could materially adversely affect the ability of the Issuer to perform the Agreement or which in any manner questions the validity of the Agreement.

5. The execution, delivery and performance of the Agreement by the issuer will not contravene or constitute a default under any applicable law, regulation, rule, order or judgment of any governmental authority or, to our knowledge having made due investigation, under any mortgage, indenture, contract or other undertaking to which the Issuer is a party or by which the Issuer or any of the Issuer's property or assets is bound.

6. The initial Transaction set forth in the Confirmation is a Qualified Swap (as defined in the Covered Indenture) as such the obligations of the Issuer under such Qualified Swap have been designated as Secured Related Obligations (as defined in the Covered Indenture), to the end that the obligations of the Issuer with respect to such Transaction (other than amounts payable by the Issuer as a consequence of an early termination of such Transaction) may be paid from the Debt Service Fund established by the Covered Indenture and secured by the pledge of revenues made in the Covered Indenture.

The opinions set forth in paragraph 5 above are subject to the qualification that we express no opinion regarding the legality, validity, binding effect or enforceability of Section 6(e) of the Agreement insofar as it purports to obligate a party, on termination of the Agreement, to pay an amount in excess of that measured by the lowest quotation from a Reference Market-maker. In addition, in connection with any such early termination on the grounds of default, a court might limit the non-Defaulting Party's recovery to its actual damages in the circumstances, imposing its own settlement procedures in lieu of the provisions of Section 6(e) of the Agreement.

The opinions set forth herein are limited to the laws of the State of New York and the federal laws of the United States.

Very truly yours,

ISDA[®]

International Swaps and Derivatives Association, Inc.

CREDIT SUPPORT ANNEX

to the Schedule to the
ISDA MASTER AGREEMENT

dated as of May 1, 2004

between

**BEAR STEARNS CAPITAL
MARKETS INC.**
("Party A")

and

JEFFERSON COUNTY, ALABAMA
("Party B")

This Annex supplements, forms part of, and is subject to, the above-referenced Agreement, is part of its Schedule and is a Credit Support Document under this Agreement with respect to each party.

Accordingly, the parties agree as follows:

Paragraph 1. Interpretation

(a) **Definitions and Inconsistency.** Capitalized terms not otherwise defined herein or elsewhere in this Agreement have the meanings specified pursuant to Paragraph 12, and all references in this Annex to Paragraphs are to Paragraphs of this Annex. In the event of any inconsistency between this Annex and the other provisions of this Schedule, this Annex will prevail, and in the event of any inconsistency between Paragraph 13 and the other provisions of this Annex, Paragraph 13 will prevail.

(b) **Secured Party and Pledgor.** All references in this Annex to the "Secured Party" will be to either party when acting in that capacity and all corresponding references to the "Pledgor" will be to the other party when acting in that capacity; *provided, however*, that if Other Posted Support is held by a party to this Annex, all references herein to that party as the Secured Party with respect to that Other Posted Support will be to that party as the beneficiary thereof and will not subject that support or that party as the beneficiary thereof to provisions of law generally relating to security interests and secured parties.

Paragraph 2. Security Interest

Each party, as the Pledgor, hereby pledges to the other party, as the Secured Party, as security for its Obligations and grants to the Secured Party a first priority continuing security interest in, lien on and right of Set-off against all Posted Collateral Transferred to or received by the Secured Party hereunder. Upon the Transfer by the Secured Party to the Pledgor of Posted Collateral, the

security interest and lien granted hereunder on that Posted Collateral will be released immediately and, to the extent possible, without any further action by either party.

Paragraph 3. Credit Support Obligations

(a) **Delivery Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Secured Party on or promptly following a Valuation Date, if the Delivery Amount for that Valuation Date equals or exceeds the Pledgor's Minimum Transfer Amount, then the Pledgor will Transfer to the Secured Party Eligible Credit Support having a Value as of the date of Transfer at least equal to the applicable Delivery Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "*Delivery Amount*" applicable to the Pledgor for any Valuation Date will equal the amount by which:

(i) the Credit Support Amount

exceeds

(ii) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party.

(b) **Return Amount.** Subject to Paragraphs 4 and 5, upon a demand made by the Pledgor on or promptly following a Valuation Date, if the Return Amount for that Valuation Date equals or exceeds the Secured Party's Minimum Transfer Amount, then the Secured Party will Transfer to the Pledgor Posted Credit Support specified by the Pledgor in that demand having a Value as of the date of Transfer as close as practicable to the applicable Return Amount (rounded pursuant to Paragraph 13). Unless otherwise specified in Paragraph 13, the "*Return Amount*" applicable to the Secured Party for any Valuation Date will equal the amount by which:

(i) the Value as of that Valuation Date of all Posted Credit Support held by the Secured Party

exceeds

(ii) the Credit Support Amount.

"*Credit Support Amount*" means, unless otherwise specified in Paragraph 13, for any Valuation Date (i) the Secured Party's Exposure for that Valuation Date plus (ii) the aggregate of all Independent Amounts applicable to the Pledgor, if any, minus (iii) all Independent Amounts applicable to the Secured Party, if any, minus (iv) the Pledgor's Threshold; *provided, however*, that the Credit Support Amount will be deemed to be zero whenever the calculation of Credit Support Amount yields a number less than zero.

Paragraph 4. Conditions Precedent, Transfer Timing, Calculations and Substitutions

(a) **Conditions Precedent.** Each Transfer obligation of the Pledgor under Paragraphs 3 and 5 and of the Secured Party under Paragraphs 3, 4(d)(ii), 5 and 6(d) is subject to the conditions precedent that:

(i) no Event of Default, Potential Event of Default or Specified Condition has occurred and is continuing with respect to the other party; and

(ii) no Early Termination Date for which any unsatisfied payment obligations exist has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the other party.

(b) **Transfer Timing.** Subject to Paragraphs 4(a) and 5 and unless otherwise specified, if a demand for the Transfer of Eligible Credit Support or Posted Credit Support is made by the Notification Time, then the relevant Transfer will be made not later than the close of business on the next Local Business Day; if a demand is made after the Notification Time, then the relevant Transfer will be made not later than the close of business on the second Local Business Day thereafter.

(c) **Calculations.** All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the Local Business Day following the applicable Valuation Date (or in the case of Paragraph 6(d), following the date of calculation).

(d) **Substitutions.**

(i) Unless otherwise specified in Paragraph 13, upon notice to the Secured Party specifying the items of Posted Credit Support to be exchanged, the Pledgor may, on any Local Business Day, Transfer to the Secured Party substitute Eligible Credit Support (the "Substitute Credit Support"); and

(ii) subject to Paragraph 4(a), the Secured Party will Transfer to the Pledgor the items of Posted Credit Support specified by the Pledgor in its notice not later than the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, unless otherwise specified in Paragraph 13 (the "Substitution Date"); *provided* that the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the date of Transfer of that Posted Credit Support equal to the Value as of that date of the Substitute Credit Support.

Paragraph 5. Dispute Resolution

If a party (a "Disputing Party") disputes (I) the Valuation Agent's calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then (1) the Disputing Party will notify the other party and the Valuation Agent (if the Valuation Agent is not the other party) not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in case of (I) above or (Y) the date of Transfer in the case of (II) above, (2) subject to Paragraph 4(a), the appropriate party will Transfer the undisputed amount to the other party not later than the close of business on the Local Business Day following (X) the date that the demand is made under Paragraph 3 in the case of (I) above or (Y) the date of Transfer in the case of (II) above, (3) the parties will consult with each other in an attempt to resolve the dispute and (4) if they fail to resolve the dispute by the Resolution Time, then:

(i) In the case of a dispute involving a Delivery Amount or Return Amount, unless otherwise specified in Paragraph 13, the Valuation Agent will recalculate the Exposure and the Value as of the Recalculation Date by:

(A) utilizing any calculations of Exposure for the Transactions (or Swap Transactions) that the parties have agreed are not in dispute;

(B) calculating the Exposure for the Transactions (or Swap Transactions) in dispute by seeking four actual quotations at mid-market from Reference Market-makers for purposes of calculating Market Quotation, and taking the arithmetic average of those obtained; *provided* that if four quotations are not available for a particular Transaction (or Swap Transaction), then fewer than four quotations may be used for that Transaction (or Swap Transaction); and if no quotations are available for a particular Transaction (or Swap Transaction), then the Valuation Agent's original calculations will be used for that Transaction (or Swap Transaction); and

(C) utilizing the procedures specified in Paragraph 13 for calculating the Value, if disputed, of Posted Credit Support.

(ii) In the case of a dispute involving the Value of any Transfer of Eligible Credit Support or Posted Credit Support, the Valuation Agent will recalculate the Value as of the date of Transfer pursuant to Paragraph 13.

Following a recalculation pursuant to this Paragraph, the Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) not later than the Notification Time on the Local Business Day following the Resolution Time. The appropriate party will, upon demand following that notice by the Valuation Agent or a resolution pursuant to (3) above and subject to Paragraphs 4(a) and 4(b), make the appropriate Transfer.

Paragraph 6. Holding and Using Posted Collateral

(a) *Care of Posted Collateral.* Without limiting the Secured Party's rights under Paragraph 6(c), the Secured Party will exercise reasonable care to assure the safe custody of all Posted Collateral to the extent required by applicable law, and in any event the Secured Party will be deemed to have exercised reasonable care if it exercises at least the same degree of care as it would exercise with respect to its own property. Except as specified in the preceding sentence, the Secured Party will have no duty with respect to Posted Collateral, including, without limitation, any duty to collect any Distributions, or enforce or preserve any rights pertaining thereto.

(b) *Eligibility to Hold Posted Collateral; Custodians.*

(i) *General.* Subject to the satisfaction of any conditions specified in Paragraph 13 for holding Posted Collateral, the Secured Party will be entitled to hold Posted Collateral or to appoint an agent (a "Custodian") to hold Posted Collateral for the Secured Party. Upon notice by the Secured Party to the Pledgor of the appointment of a Custodian, the Pledgor's obligations to make any Transfer will be discharged by making the Transfer to that Custodian. The holding of Posted Collateral by a Custodian will be deemed to be the holding of that Posted Collateral by the Secured Party for which the Custodian is acting.

(ii) *Failure to Satisfy Conditions.* If the Secured Party or its Custodian fails to satisfy any conditions for holding Posted Collateral, then upon a demand made by the Pledgor, the Secured Party will, not later than five Local Business Days after the demand,

Transfer or cause its Custodian to Transfer all Posted Collateral held by it to a Custodian that satisfies those conditions or to the Secured Party if it satisfies those conditions.

(iii) **Liability.** The Secured Party will be liable for the acts or omissions of its Custodian to the same extent that the Secured Party would be liable hereunder for its own acts or omissions.

(c) **Use of Posted Collateral.** Unless otherwise specified in Paragraph 13 and without limiting the rights and obligations of the parties under Paragraphs 3, 4(d)(ii), 5, 6(d) and 8, if the Secured Party is not a Defaulting Party or an Affected Party with respect to a Specified Condition and no Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then the Secured Party will, notwithstanding Section 9-207 of the New York Uniform Commercial Code, have the right to:

(i) sell, pledge, rehypothecate, assign, invest, use, commingle or otherwise dispose of, or otherwise use in its business any Posted Collateral it holds, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor; and

(ii) register any Posted Collateral in the name of the Secured Party, its Custodian or a nominee for either.

For purposes of the obligation to Transfer Eligible Credit Support or Posted Credit Support pursuant to Paragraphs 3 and 5 and any rights or remedies authorized under this Agreement, the Secured Party will be deemed to continue to hold all Posted Collateral and to receive Distributions made thereon, regardless of whether the Secured Party has exercised any rights with respect to any Posted Collateral pursuant to (i) or (ii) above.

(d) **Distributions and Interest Amount.**

(i) **Distributions.** Subject to Paragraph 4(a), if the Secured Party receives or is deemed to receive Distributions on a Local Business Day, it will Transfer to the Pledgor not later than the following Local Business Day any Distributions it receives or is deemed to receive to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose).

(ii) **Interest Amount.** Unless otherwise specified in Paragraph 13 and subject to Paragraph 4(a), in lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will Transfer to the Pledgor at the times specified in Paragraph 13 the Interest Amount to the extent that a Delivery Amount would not be created or increased by that Transfer, as calculated by the Valuation Agent (and the date of calculation will be deemed to be a Valuation Date for this purpose). The Interest Amount or portion thereof not Transferred pursuant to this Paragraph will constitute Posted Collateral in the form of Cash and will be subject to the security interest granted under Paragraph 2.

Paragraph 7. Events of Default

For purposes of Section 5(a)(iii)(1) of this Agreement, an Event of Default will exist with respect to a party if:

- (i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for two Local Business Days after notice of that failure is given to that party;
- (ii) that party fails to comply with any restriction or prohibition specified in this Annex with respect to any of the rights specified in Paragraph 6(c) and that failure continues for five Local Business Days after notice of that failure is given to that party; or
- (iii) that party fails to comply with or perform any agreement or obligation other than those specified in Paragraphs 7(i) and 7(ii) and that failure continues for 30 days after notice of that failure is given to that party.

Paragraph 8. Certain Rights and Remedies

(a) *Secured Party's Rights and Remedies.* If at any time (1) an Event of Default or Specified Condition with respect to the Pledgor has occurred and is continuing or (2) an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Pledgor, then, unless the Pledgor has paid in full all of its Obligations that are then due, the Secured Party may exercise one or more of the following rights and remedies:

- (i) all rights and remedies available to a secured party under applicable law with respect to Posted Collateral held by the Secured Party;
- (ii) any other rights and remedies available to the Secured Party under the terms of Other Posted Support, if any;
- (iii) the right to Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and
- (iv) the right to liquidate any Posted Collateral held by the Secured Party through one or more public or private sales or other dispositions with such notice, if any, as may be required under applicable law, free from any claim or right of any nature whatsoever of the Pledgor, including any equity or right of redemption by the Pledgor (with the Secured Party having the right to purchase any or all of the Posted Collateral to be sold) and to apply the proceeds (or the Cash equivalent thereof) from the liquidation of the Posted Collateral to any amounts payable by the Pledgor with respect to any Obligations in that order as the Secured Party may elect.

Each party acknowledges and agrees that Posted Collateral in the form of securities may decline speedily in value and is of a type customarily sold on a recognized market, and, accordingly, the Pledgor is not entitled to prior notice of any sale of that Posted Collateral by the Secured Party, except any notice that is required under applicable law and cannot be waived.

(b) ***Pledgor's Rights and Remedies.*** If at any time an Early Termination Date has occurred or been designated as the result of an Event of Default or Specified Condition with respect to the Secured Party, then (except in the case of an Early Termination Date relating to less than all Transactions (or Swap Transactions) where the Secured Party has paid in full all of its obligations that are then due under Section 6(e) of this Agreement):

(i) the Pledgor may exercise all rights and remedies available to a pledgor under applicable law with respect to Posted Collateral held by the Secured Party;

(ii) the Pledgor may exercise any other rights and remedies available to the Pledgor under the terms of Other Posted Support, if any;

(iii) the Secured Party will be obligated immediately to Transfer all Posted Collateral and the Interest Amount to the Pledgor; and

(iv) to the extent that Posted Collateral or the Interest Amount is not so Transferred pursuant to (iii) above, the Pledgor may:

(A) Set-off any amounts payable by the Pledgor with respect to any Obligations against any Posted Collateral or the Cash equivalent of any Posted Collateral held by the Secured Party (or any obligation of the Secured Party to Transfer that Posted Collateral); and

(B) to the extent that the Pledgor does not Set-off under (iv)(A) above, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral held by the Secured Party, until that Posted Collateral is Transferred to the Pledgor.

(c) ***Deficiencies and Excess Proceeds.*** The Secured Party will Transfer to the Pledgor any proceeds and Posted Credit Support remaining after liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b) after satisfaction in full of all amounts payable by the Pledgor with respect to any Obligations; the Pledgor in all events will remain liable for any amounts remaining unpaid after any liquidation, Set-off and/or application under Paragraphs 8(a) and 8(b).

(d) ***Final Returns.*** When no amounts are or thereafter may become payable by the Pledgor with respect to any Obligations (except for any potential liability under Section 2(d) of this Agreement), the Secured Party will Transfer to the Pledgor all Posted Credit Support and the Interest Amount, if any.

Paragraph 9. Representations

Each party represents to the other party (which representations will be deemed to be repeated as of each date on which it, as the Pledgor, Transfers Eligible Collateral) that:

(i) it has the power to grant a security interest in and lien on any Eligible Collateral it Transfers as the Pledgor and has taken all necessary actions to authorize the granting of that security interest and lien;

(ii) it is the sole owner of or otherwise has the right to Transfer all Eligible Collateral it Transfers to the Secured Party hereunder, free and clear of any security interest, lien,

encumbrance or other restrictions other than the security interest and lien granted under Paragraph 2;

(iii) upon the Transfer of any Eligible Collateral to the Secured Party under the terms of this Annex, the Secured Party will have a valid and perfected first priority security interest therein (assuming that any central clearing corporation or any third-party financial intermediary or other entity not within the control of the Pledgor involved in the Transfer of that Eligible Collateral gives the notices and takes the action required of it under applicable law for perfection of that interest); and

(iv) the performance by it of its obligations under this Annex will not result in the creation of any security interest, lien or other encumbrance on any Posted Collateral other than the security interest and lien granted under Paragraph 2.

Paragraph 10. Expenses

(a) **General.** Except as otherwise provided in Paragraphs 10(b) and 10(c), each party will pay its own costs and expenses in connection with performing its obligations under this Annex and neither party will be liable for any costs and expenses incurred by the other party in connection herewith.

(b) **Posted Credit Support.** The Pledgor will promptly pay when due all taxes, assessments or charges of any nature that are imposed with respect to Posted Credit Support held by the Secured Party upon becoming aware of the same, regardless of whether any portion of that Posted Credit Support is subsequently disposed of under Paragraph 6(c), except for those taxes, assessments and charges that result from the exercise of the Secured Party's rights under Paragraph 6(c).

(c) **Liquidation/Application of Posted Credit Support.** All reasonable costs and expenses incurred by or on behalf of the Secured Party or the Pledgor in connection with the liquidation and/or application of any Posted Credit Support under Paragraph 8 will be payable, on demand and pursuant to the Expenses Section of this Agreement, by the Defaulting Party or, if there is no Defaulting Party, equally by the parties.

Paragraph 11. Miscellaneous

(a) **Default Interest.** A Secured Party that fails to make, when due, any Transfer of Posted Collateral or the Interest Amount will be obligated to pay the Pledgor (to the extent permitted under applicable law) an amount equal to interest at the Default Rate multiplied by the Value of the items of property that were required to be Transferred, from (and including) the date that Posted Collateral or Interest Amount was required to be Transferred to (but excluding) the date of Transfer of that Posted Collateral or Interest Amount. This interest will be calculated on the basis of daily compounding and the actual number of days elapsed.

(b) **Further Assurances.** Promptly following a demand made by a party, the other party will execute, deliver, file and record any financing statement, specific assignment or other document and take any other action that may be necessary or desirable and reasonably requested by that party to create, preserve, perfect or validate any security interest or lien granted under Paragraph 2, to enable that party to exercise or enforce its rights under this Annex with respect to Posted Credit Support or an Interest Amount or to effect or document a release of a security interest on Posted Collateral or an Interest Amount.

(c) **Further Protection.** The Pledgor will promptly give notice to the Secured Party of, and defend against, any suit, action, proceeding or lien that involves Posted Credit Support Transferred by the Pledgor or that could adversely affect the security interest and lien granted by it under Paragraph 2, unless that suit, action, proceeding or lien results from the exercise of the Secured Party's rights under Paragraph 6(c).

(d) **Good Faith and Commercially Reasonable Manner.** Performance of all obligations under this Annex, including, but not limited to, all calculations, valuations and determinations made by either party, will be made in good faith and in a commercially reasonable manner.

(e) **Demands and Notices.** All demands and notices made by a party under this Annex will be made as specified in the Notices Section of this Agreement, except as otherwise provided in Paragraph 13.

(f) **Specifications of Certain Matters.** Anything referred to in this Annex as being specified in Paragraph 13 also may be specified in one or more Confirmations or other documents and this Annex will be construed accordingly.

Paragraph 12. Definitions

As used in this Annex:—

"Cash" means the lawful currency of the United States of America.

"Credit Support Amount" has the meaning specified in Paragraph 3.

"Custodian" has the meaning specified in Paragraphs 6(b)(i) and 13.

"Delivery Amount" has the meaning specified in Paragraph 3(a).

"Disputing Party" has the meaning specified in Paragraph 5.

"Distributions" means, with respect to Posted Collateral other than Cash, all principal, interest and other payments and distributions of cash or other property with respect thereto, regardless of whether the Secured Party has disposed of that Posted Collateral under Paragraph 6(c). Distributions will not include any item of property acquired by the Secured Party upon any disposition or liquidation of Posted Collateral or, with respect to any Posted Collateral in the form of Cash, any distributions on that collateral, unless otherwise specified herein.

"Eligible Collateral" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Eligible Credit Support" means Eligible Collateral and Other Eligible Support.

"Exposure" means for any Valuation Date or other date for which Exposure is calculated and subject to Paragraph 5 in the case of a dispute, the amount, if any, that would be payable to a party that is the Secured Party by the other party (expressed as a positive number) or by a party that is the Secured Party to the other party (expressed as a negative number) pursuant to Section 6(e)(ii)(2)(A) of this Agreement as if all Transactions (or Swap Transactions) were being terminated as of the relevant Valuation Time; *provided* that Market Quotation will be determined

by the Valuation Agent using its estimates at mid-market of the amounts that would be paid for Replacement Transactions (as that term is defined in the definition of "Market Quotation").

"Independent Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Interest Amount" means, with respect to an Interest Period, the aggregate sum of the amounts of interest calculated for each day in that Interest Period on the principal amount of Posted Collateral in the form of Cash held by the Secured Party on that day, determined by the Secured Party for each such day as follows:

- (x) the amount of that Cash on that day; multiplied by
- (y) the Interest Rate in effect for that day; divided by
- (z) 360.

"Interest Period" means the period from (and including) the last Local Business Day on which an Interest Amount was Transferred (or, if no Interest Amount has yet been Transferred, the Local Business Day on which Posted Collateral in the form of Cash was Transferred to or received by the Secured Party) to (but excluding) the Local Business Day on which the current Interest Amount is to be Transferred.

"Interest Rate" means the rate specified in Paragraph 13.

"Local Business Day" unless otherwise specified in Paragraph 13, has the meaning specified in the Definitions Section of this Agreement, except that references to a payment in clause (b) thereof will be deemed to include a Transfer under this Annex.

"Minimum Transfer Amount" means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

"Notification Time" has the meaning specified in Paragraph 13.

"Obligations" means, with respect to a party, all present and future obligations of that party under this Agreement and any additional obligations specified for that party in Paragraph 13.

"Other Eligible Support" means, with respect to a party, the items, if any, specified as such for that party in Paragraph 13.

"Other Posted Support" means all Other Eligible Support Transferred to the Secured Party that remains in effect for the benefit of that Secured Party.

"Pledgor" means either party, when that party (i) receives a demand for or is required to Transfer Eligible Credit Support under Paragraph 3(a) or (ii) has Transferred Eligible Credit Support under Paragraph 3(a).

"Posted Collateral" means all Eligible Collateral, other property, Distributions, and all proceeds thereof that have been Transferred to or received by the Secured Party under this Annex and not Transferred to the Pledgor pursuant to Paragraph 3(b), 4(d)(ii) or 6(d)(i) or released by the

Secured Party under Paragraph 8. Any Interest Amount or portion thereof not Transferred pursuant to Paragraph 6(d)(ii) will constitute Posted Collateral in the form of Cash.

“Posted Credit Support” means Posted Collateral and Other Posted Support.

“Recalculation Date” means the Valuation Date that gives rise to the dispute under Paragraph 5; *provided, however*, that if a subsequent Valuation Date occurs under Paragraph 3 prior to the resolution of the dispute, then the “Recalculation Date” means the most recent Valuation Date under Paragraph 3.

“Resolution Time” has the meaning specified in Paragraph 13.

“Return Amount” has the meaning specified in Paragraph 3(b).

“Secured Party” means either party, when that party (i) makes a demand for or is entitled to receive Eligible Credit Support under Paragraph 3(a) or (ii) holds or is deemed to hold Posted Credit Support.

“Specified Condition” means, with respect to a party, any event specified as such for that party in Paragraph 13.

“Substitute Credit Support” has the meaning specified in Paragraph 4(d)(i).

“Substitution Date” has the meaning specified in Paragraph 4(d)(ii).

“Threshold” means, with respect to a party, the amount specified as such for that party in Paragraph 13; if no amount is specified, zero.

“Transfer” means, with respect to any Eligible Credit Support, Posted Credit Support or Interest Amount, and in accordance with the instructions of the Secured Party, Pledgor or Custodian, as applicable:

- (i) in the case of Cash, payment or delivery by wire transfer into one or more bank accounts specified by the recipient;
- (ii) in the case of certificated securities that cannot be paid or delivered by book-entry, payment or delivery in appropriate physical form to the recipient or its account accompanied by any duly executed instruments of transfer, assignments in blank, transfer tax stamps and any other documents necessary to constitute a legally valid transfer to the recipient;
- (iii) in the case of securities that can be paid or delivered by book-entry, the giving of written instructions to the relevant depository institution or other entity specified by the recipient, together with a written copy thereof to the recipient, sufficient if complied with to result in a legally effective transfer of the relevant interest to the recipient; and
- (iv) in the case of Other Eligible Support or Other Posted Support, as specified in Paragraph 13.

“Valuation Agent” has the meaning specified in Paragraph 13.

“Valuation Date” means each date specified in or otherwise determined pursuant to Paragraph 13.

“Valuation Percentage” means, for any item of Eligible Collateral, the percentage specified in Paragraph 13.

“Valuation Time” has the meaning specified in Paragraph 13.

“Value” means for any Valuation Date or other date for which Value is calculated, and subject to Paragraph 5 in the case of a dispute, with respect to:

- (i) Eligible Collateral or Posted Collateral that is:
 - (A) Cash, the amount thereof; and
 - (B) a security, the bid price obtained by the Valuation Agent multiplied by the applicable Valuation Percentage, if any;
- (ii) Posted Collateral that consists of items that are not specified as Eligible Collateral, zero; and
- (iii) Other Eligible Support and Other Posted Support, as specified in Paragraph 13.

Paragraph 13. Elections and Variables

(a) **Security Interest for “Obligations”.** The term “Obligations” as used in this Annex includes no “additional obligations” within the meaning of Paragraph 12.

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount.**

(A) **“Delivery Amount”** has the meaning specified in Paragraph 3(a).

(B) **“Return Amount”** has the meaning specified in Paragraph 3(b).

(C) **“Credit Support Amount”** has the meaning specified in Paragraph 3(b).

(ii) **Eligible Collateral.** The following items will qualify as **“Eligible Collateral”** for the party specified:

| | | <u>Party A</u> | <u>Valuation Percentage</u> |
|-----|--|----------------|---------------------------------|
| (A) | Cash | X | 100% |
| (B) | negotiable debt obligations issued by the U.S. Treasury Department having a remaining term to maturity of not more than two years | X | 100% |
| (C) | negotiable debt obligations issued by the U.S. Treasury Department having a remaining term to maturity of more than two years but not more than 10 years | X | 99% |
| (D) | negotiable debt obligations issued by the U.S. Treasury Department having a remaining term to maturity of more than 10 years | X | 98% |

During the pendency of any suit, action, proceeding or lien referenced in Paragraph 11(c) (other than a suit, action, proceeding or lien resulting from the exercise of the Secured Party’s rights under Paragraph 6(c)), the Posted Credit Support affected thereby shall not constitute Eligible Collateral. Pledgor shall be obligated, in such event, to Transfer to the Secured Party substitute Eligible Credit Support for such Posted Credit Support in order to satisfy its obligations under Paragraph 3; provided, that such substitute Eligible Credit Support shall have a Value as of the date of Transfer equal to or greater than the Value such Posted Credit Support would have had (as determined by the Secured Party) if no such suit, action, proceeding or lien was pending.

(iii) **Other Eligible Support.** Such other property as the Secured Party, in its sole discretion, shall deem acceptable, with such Valuation Percentage applied thereto as the Secured Party, in its sole discretion, shall deem appropriate.

(iv) **Thresholds**

(A) **“Independent Amount”** means zero for Party A and Party B unless otherwise specified in a confirmation.

(B) **“Threshold”** means zero (\$0).

(C) **“Minimum Transfer Amount”** means \$100,000.

(D) **Rounding.** The Delivery Amount and the Return Amount will be rounded up and down respectively, to the nearest integral multiple of USD10,000.

(c) **Valuation and Timing.**

(i) **“Valuation Agent”** means, for purposes of Paragraphs 3 and 5, the party making the demand under Paragraph 3; for purposes of Paragraph 4(d)(ii), the Secured Party receiving the Substitute Credit Support; for purposes of Paragraph 6(d), the Secured Party receiving or deemed to receive the Distributions or the Interest Amount, as applicable, and, for purposes of assigning a Value to Posted Credit Support for the purpose of setting off against such Posted Credit Support the Pledgor’s Obligations to the Secured Party or for the purpose of determining the amount of any cash payment to which the Pledgor is entitled in lieu of the return of Posted Credit Support, the Secured Party (or, in each such instance, an Affiliate of the applicable party)..

(ii) **“Valuation Date”** the first Local Business Day of each month or any other Local Business Day designated by a party which, in the reasonable judgment of such party, would result in a Delivery Amount or Return Amount.

(iii) **“Valuation Time”** means the close of business on the Local Business Day in the city where the Valuation Agent is located immediately preceding the Valuation Date or date of calculation, as applicable; provided that the calculations of Value and Exposure will be made as of approximately the same time on the same date.

(iv) **“Notification Time”** means 11 a.m. (New York time).

(v) **Calculations.** Paragraph 4(c) is hereby amended and restated in entirety as set forth below.

“(c) Calculations. All calculations of Value and Exposure for purposes of Paragraphs 3 and 6(d) will be made by the Valuation Agent as of the Valuation Time. The Valuation Agent will notify each party (or the other party, if the Valuation Agent is a party) of its calculations not later than the Notification Time on the applicable Valuation Date (or in the case of Paragraph 6(d), the Local Business Day).”

(d) **Conditions Precedent.** There shall be no “Specified Condition” with respect to either party for purposes of this Annex.

(e) **Substitution**

(i) **“Substitution Date”** means (A) the Local Business Day on which the Secured Party receives the Substitute Credit Support, if notice of substitution is received by the

Notification Time on such date, and (B) the Local Business Day following the date on which the Secured Party receives the Substitute Credit Support, if notice of substitution is received after the Notification Time.

(ii) **Consent of Secured Party for Substitution.** Inapplicable.

(iii) **Amendment of Paragraph 4(d)(ii).** Paragraph 4(d)(ii) is amended and restated in its entirety as set forth below.

“(ii) subject to Paragraph 4(a) of this Annex, the Secured Party will Transfer the items of Posted Credit Support specified by the Pledgor in its notice not later than the close of business on the Substitution Date, *provided, however*, that if the Secured Party shall not have received the Substitute Credit Support prior to 1:00 p.m. (New York time) on the Substitution Date, then the Secured Party (which agrees to use commercially reasonable efforts to Transfer the specified items of Posted Credit Support on the same day it receives the Substitute Credit Support) shall Transfer the applicable items of Posted Credit Support not later than the close of business on the Local Business Day immediately following the day on which the Secured Party receives the Substitute Credit Support. Notwithstanding the foregoing, the Secured Party will only be obligated to Transfer Posted Credit Support with a Value as of the Substitution Date equal to the Value of the Substitute Credit Support delivered by the Pledgor in exchange therefor.”

(f) **Dispute Resolution.**

(i) **“Resolution Time”** means 12:00 noon, New York time, on the Local Business Day for both parties following the date the Disputing Party gives notice of a dispute pursuant to Paragraph 5.

(ii) **Value.** For the purpose of Paragraphs 5(i)(C) and 5(ii), disputes over the Value of Posted Credit Support will be resolved by the Valuation Agent seeking bid-side quotations as of the relevant Recalculation Date or date of Transfer, as applicable, from three parties that regularly act as dealers in the securities in question. The Value will be the arithmetic mean of the quotations obtained by the Valuation Agent; provided, that if three quotations are not available for a particular security, then the number of quotations obtained with respect to such security will be used. If no quotations are available for a particular security, then the Valuation Agent’s original calculation of Value thereof will be used for that security.

(iii) **Alternative.** Subject to item (iv) below, the provisions of Paragraph 5 will apply.

(iv) **Modification of Paragraph 5.** The introductory paragraph of Paragraph 5 shall be amended and restated to read in its entirety as follows:

“If a party (a ‘Disputing Party’) disputes (I) the Valuation Agent’s calculation of a Delivery Amount or a Return Amount or (II) the Value of any Transfer of Eligible Credit Support or Posted Credit Support, then:

(A) the Disputing Party will (x) notify the other party and, if applicable, the Valuation Agent of the amount it is disputing, (y) indicate what it believes the correct amount to be and (z) provide a statement showing, in reasonable detail, how it arrived at such amount and the appropriate party will deliver the undisputed amount to the other party not later than (i) (a) the close of business on the Local Business Day following the Valuation Date, if the demand made under Paragraph 3 in the case of (I) above is made by the Notification Time, or (b) the close of business of on the second Local Business Day following the date on which the demand is made under Paragraph 3 in the case of (I) above, if such demand is made after the Notification Time, or (ii) the close of business of the date of Transfer, in the case of (II) above;

(B) the parties will consult with each other and provide such information as the other party shall reasonably request in an attempt to resolve the dispute; and

(C) if they fail to resolve the dispute by the Resolution Time, then:”

(g) Holding and Using Posted Collateral.

(i) Eligibility to Hold Posted Collateral: Custodians. Party B will be entitled to hold Posted Collateral itself or through a Custodian pursuant to Paragraph 6(b), provided that the following conditions applicable to it are satisfied:

- (1) Party B is not a Defaulting Party; and
- (2) The Custodian is a Bank (as defined in the Federal Deposit Insurance Act) whose rating with respect to its long term unsecured, unsubordinated indebtedness is at least BBB+ by S&P or Baa1 by Moody’s.

(ii) **Use of Posted Collateral.** The provisions of Paragraph 6(c) will not apply.

(h) Distributions and Interest Amount.

(i) **Interest Rate.** The “Interest Rate” will be the “Federal Funds (Effective)” rate as such rate is displayed on Telerate page 118 for such day under the caption “Effective”.

(ii) **Amendment of Paragraph 6(d)(i) – Distributions.** Clause (d)(i) of Paragraph 6 shall be amended and restated to read in its entirety as follows:

“(i) **Distributions.** If the Secured Party receives or is deemed to have received Distributions on a Local Business Day, it will credit to Pledgor not later than the following Local Business Day any Distributions it receives or is deemed to have received, and such Distributions will be constitute Posted Collateral and will be subject to the security interest granted under Paragraph 2.”

(iii) **Amendment of Paragraph 6(d)(ii) - Interest Amount.** Clause (d)(ii) of Paragraph 6 shall be amended and restated to read in its entirety as follows:

“(ii) **Interest Amount.** In lieu of any interest, dividends or other amounts paid or deemed to have been paid with respect to Posted Collateral in the form of Cash (all of which may be retained by the Secured Party), the Secured Party will credit to Pledgor on the 20th day of each calendar month (or if such day is not a Local Business Day, the next Local Business Day) the Interest Amount. The Interest Amount will constitute Posted Collateral and will be subject to the security interest granted under Paragraph 2. For purposes of calculating the Interest Amount the amount of interest calculated for each day of the interest period shall be compounded monthly.”

(i) **Demands and Notices.**

All demands, specifications and notices under this Annex will be made pursuant to the Notices Section of this Agreement.

(j) **Addresses for Transfers.**

Party A: To be provided in writing by Party A to Party B.

Party B: To be provided in writing by Party B to Party A.

(k) **Other Provision(s).**

(i) **Amendment of Paragraph 7 - Events of Default.** Clause (i) of Paragraph 7 shall be amended and restated to read in its entirety as follows:

“(i) that party fails (or fails to cause its Custodian) to make, when due, any Transfer of Eligible Collateral, Posted Collateral or the Interest Amount, as applicable, required to be made by it and that failure continues for one Local Business Day after notice of that failure is given to that party;

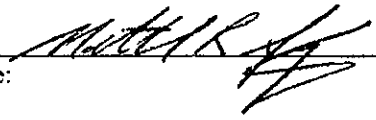
(ii) **Non-Reliance.** Notwithstanding the obligations of the Secured Party under Paragraph 6(a), and without limiting the generality of the final sentence of Paragraph 6(a), each party, as Pledgor, acknowledges that it has the means to monitor all matters relating to all valuations, payments, defaults and rights with respect to Posted Collateral without need to rely on the other party, in its capacity as Secured Party, and that, given the provisions of this Annex on substitution, responsibility for the preservation of the rights of the Pledgor with respect to all such matters is reasonably allocated hereby to the Pledgor.”

(ii) **Agreement as to Single Secured Party and Pledgor.** Party A and Party B agree that, notwithstanding anything to the contrary in the recital to this Annex, Paragraph 1(b) or Paragraph 2 or the definitions in Paragraph 12, (a) the term "**Secured Party**" as used in this Annex means only Party B, (b) the term "**Pledgor**" as used in this Annex means only Party A, (c) only Party A makes the pledge and grant in Paragraph 2, the acknowledgment in the final sentence of Paragraph 8(a) and the representations in Paragraph 9 and (d) only Party A will be required to make Transfers of Eligible Credit Support hereunder. In addition, notwithstanding any statement to the contrary contained in the introductory paragraph of this Annex, this Annex shall only constitute a Credit Support Document with respect to Party A and not with respect to Party B.

IN WITNESS WHEREOF, the parties have executed this Annex on the respective dates specified below with effect from the date specified on the first page of this document.

BEAR STEARNS CAPITAL MARKETS INC.

JEFFERSON COUNTY, ALABAMA

By: 
Name: _____
Title: _____

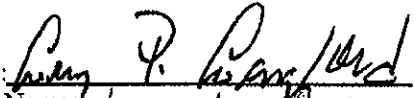
By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties have executed this Annex on the respective dates specified below with effect from the date specified on the first page of this document.

BEAR STEARNS CAPITAL MARKETS INC.

JEFFERSON COUNTY, ALABAMA

By: _____
Name:
Title:

By: 
Name: Larry Landford
Title: President of
County Commission

TRUST INDENTURE

Dated December 1, 2013

Between

JEFFERSON COUNTY, ALABAMA

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

Relating to the authorization and issuance of

**[\$375,000,000] Senior Lien Sewer Revenue
Current Interest Warrants, Series 2013-A**

**[\$55,693,095.85] Senior Lien Sewer Revenue
Capital Appreciation Warrants, Series 2013-B**

**[\$69,308,272.15] Senior Lien Sewer Revenue
Convertible Capital Appreciation Warrants, Series 2013-C**

**[\$750,155,000] Subordinate Lien Sewer Revenue
Current Interest Warrants, Series 2013-D**

**[\$71,935,073.95] Subordinate Lien Sewer Revenue
Capital Appreciation Warrants, Series 2013-E**

and

**[\$416,317,273] Subordinate Lien Sewer Revenue
Convertible Capital Appreciation Warrants, Series 2013-F**

by

Jefferson County, Alabama

TABLE OF CONTENTS

| | PAGE |
|--|-------------|
| Parties | 1 |
| Recitals | 1 |
| ARTICLE 1 Definitions and Other Provisions of General Application | 3 |
| SECTION 1.1 Definitions | 3 |
| SECTION 1.2 General Rules of Construction | 14 |
| SECTION 1.3 Effect of Action by Holders of Secured Obligations | 15 |
| SECTION 1.4 Effect of Headings and Table of Contents | 15 |
| SECTION 1.5 Date of Indenture | 15 |
| SECTION 1.6 Separability Clause | 15 |
| SECTION 1.7 Governing Law | 15 |
| SECTION 1.8 Counterparts | 16 |
| SECTION 1.9 Designation of Time for Performance | 16 |
| ARTICLE 2 Source of Payment | 16 |
| SECTION 2.1 Limited Source of Payment of Secured Obligations | 16 |
| SECTION 2.2 Officials, Officers and Employees of the Issuer Exempt from Individual Liability | 16 |
| ARTICLE 3 Security for Payment | 16 |
| SECTION 3.1 Pledge and Assignment | 16 |
| ARTICLE 4 Registration, Transfer, Exchange and Payment of the Warrants | 18 |
| SECTION 4.1 The Book Entry System for the Warrants | 18 |
| SECTION 4.2 Alternate Provisions Regarding Payment, Registration, Transfer and Exchange of Warrants | 19 |
| SECTION 4.3 Persons Deemed Owners | 21 |
| SECTION 4.4 Trustee as Paying Agent and Registrar | 21 |
| SECTION 4.5 Payments Due on Non-Business Days | 21 |
| ARTICLE 5 Specific Terms for Warrants and Disposition of Proceeds | 21 |
| SECTION 5.1 Specific Title and Terms of Series 2013-A Warrants | 21 |
| SECTION 5.2 Specific Title and Terms of Series 2013-B Warrants | 22 |
| SECTION 5.3 Specific Title and Terms of Series 2013-C Warrants | 24 |
| SECTION 5.4 Specific Title and Terms of Series 2013-D Warrants | 26 |
| SECTION 5.5 Specific Title and Terms of Series 2013-E Warrants | 27 |
| SECTION 5.6 Specific Title and Terms of Series 2013-F Warrants | 28 |
| SECTION 5.7 Proceeds From Sale of Warrants | 30 |
| ARTICLE 6 Repurchases and Tenders | 31 |
| SECTION 6.1 No Optional Tender Rights for Holders | 31 |
| SECTION 6.2 Purchase or Tender for Cancellation | 31 |
| ARTICLE 7 Redemption of Warrants | 31 |
| SECTION 7.1 Redemption Provisions | 31 |
| SECTION 7.2 Mandatory Redemption | 34 |
| SECTION 7.3 Election to Redeem | 34 |
| SECTION 7.4 Selection by Trustee of Warrants to be Redeemed | 34 |
| SECTION 7.5 Notice of Redemption | 34 |
| SECTION 7.6 Deposit of Redemption Price | 35 |
| SECTION 7.7 Warrants Payable on Redemption Date | 35 |
| SECTION 7.8 Warrants Redeemed in Part | 35 |
| SECTION 7.9 Purchase of Callable Warrants in Lieu of Redemption | 36 |

| | |
|---|----|
| ARTICLE 8 Additional Secured Obligations | 36 |
| SECTION 8.1 Authorization of Additional Secured Obligations | 36 |
| SECTION 8.2 Conditions to Issuance of Additional Secured Obligations | 37 |
| SECTION 8.3 Effect of Issuance of Additional Secured Obligations..... | 39 |
| ARTICLE 9 Indenture Funds | 39 |
| SECTION 9.1 Revenue Fund..... | 39 |
| SECTION 9.2 Application of System Revenues..... | 40 |
| SECTION 9.3 Series 2013 Senior Lien Debt Service Fund..... | 41 |
| SECTION 9.4 Series 2013 Subordinate Lien Debt Service Fund | 42 |
| SECTION 9.5 Operating Account..... | 43 |
| SECTION 9.6 Series 2013 Senior Lien Reserve Fund..... | 43 |
| SECTION 9.7 Series 2013 Subordinate Lien Reserve Fund..... | 46 |
| SECTION 9.8 Capital Improvement Fund..... | 48 |
| SECTION 9.9 Costs of Issuance Fund..... | 49 |
| SECTION 9.10 Clearing Accounts and Fund Subaccounts | 49 |
| SECTION 9.11 Investment of Indenture Funds..... | 49 |
| SECTION 9.12 Application of Funds After Indenture Indebtedness Defeased | 50 |
| ARTICLE 10 Representations and Covenants | 50 |
| SECTION 10.1 General Representations..... | 50 |
| SECTION 10.2 Encumbrances on Trust Estate | 51 |
| SECTION 10.3 Payment of Secured Obligations | 51 |
| SECTION 10.4 Inspection of Records | 51 |
| SECTION 10.5 Advances by Trustee | 51 |
| SECTION 10.6 Transfer of System | 51 |
| SECTION 10.7 Compliance with the Tax Certificate and Agreement..... | 51 |
| SECTION 10.8 Covenants Regarding Ownership and Operation of the System..... | 52 |
| SECTION 10.9 Maintenance of Rates | 54 |
| ARTICLE 11 Defaults and Remedies | 56 |
| SECTION 11.1 Events of Default..... | 56 |
| SECTION 11.2 Remedies | 56 |
| SECTION 11.3 Application of Money Collected | 58 |
| SECTION 11.4 Trustee May Enforce Claims without Possession of Secured Obligations | 60 |
| SECTION 11.5 Limitation on Suits | 60 |
| SECTION 11.6 Unconditional Right of Holders of Secured Obligations to Payment..... | 61 |
| SECTION 11.7 Restoration of Positions..... | 61 |
| SECTION 11.8 Delay or Omission Not Waiver | 61 |
| SECTION 11.9 Control by Holders of Senior Lien Obligations..... | 61 |
| SECTION 11.10 Waiver of Past Defaults..... | 62 |
| SECTION 11.11 Suits to Protect the Trust Estate..... | 62 |
| ARTICLE 12 The Trustee | 62 |
| SECTION 12.1 Certain Duties and Responsibilities of Trustee..... | 62 |
| SECTION 12.2 Notice of Defaults..... | 63 |
| SECTION 12.3 Certain Rights of Trustee..... | 64 |
| SECTION 12.4 Trustee Not Responsible for Statements of Issuer..... | 64 |
| SECTION 12.5 May Hold Secured Obligations | 64 |
| SECTION 12.6 Money Held in Trust | 65 |
| SECTION 12.7 Compensation and Reimbursement..... | 65 |
| SECTION 12.8 Corporate Trustee Required; Eligibility | 65 |
| SECTION 12.9 Resignation and Removal; Appointment of Successor..... | 65 |
| SECTION 12.10 Acceptance of Appointment by Successor | 66 |
| SECTION 12.11 Merger, Conversion, Consolidation or Succession to Business..... | 66 |
| SECTION 12.12 Series 2013 Collateral Support Agreement | 67 |

| | |
|--|--|
| ARTICLE 13 Amendment of Secured Obligation Documents..... | 67 |
| SECTION 13.1 General Requirements for Amendments | 67 |
| SECTION 13.2 Amendments Without Consent of Holders of Secured Obligations | 67 |
| SECTION 13.3 Amendments Requiring Consent of All Affected Holders of Secured Obligations | 68 |
| SECTION 13.4 Amendments Requiring Majority Consent of Holders of Secured Obligations..... | 68 |
| SECTION 13.5 Discretion of Trustee | 68 |
| SECTION 13.6 Trustee Protected by Opinion of Counsel..... | 69 |
| SECTION 13.7 Amendments Affecting Trustee’s Personal Rights..... | 69 |
| SECTION 13.8 Effect on Holders of Secured Obligations | 69 |
| SECTION 13.9 Reference in Secured Obligations to Amendments | 69 |
| SECTION 13.10 Amendments Not to Affect Tax Exemption | 69 |
| ARTICLE 14 Defeasance | 69 |
| SECTION 14.1 Payment of Indenture Indebtedness; Satisfaction and Discharge of Indenture..... | 69 |
| SECTION 14.2 Trust for Payment of Debt Service | 70 |
| ARTICLE 15 Provisions Relating to the Series 2013 Insurer | 71 |
| SECTION 15.1 Applicability of this Article..... | 71 |
| SECTION 15.2 Requirements of the Series 2013 Insurer..... | 71 |
| SECTION 15.3 Claims and Payments under the Series 2013 Insurance Policy | 72 |
| SECTION 15.4 Reporting Requirements to Series 2013 Insurer..... | 74 |
| SECTION 15.5 Maintenance of Ratio between Senior Lien Obligations and Subordinate Lien Obligations | 75 |
| SECTION 15.6 Additional Covenants of the Issuer..... | 75 |
| ARTICLE 16 Miscellaneous | 76 |
| SECTION 16.1 Notices to Financing Participants | 76 |
| SECTION 16.2 Notices to Holders of Warrants | 76 |
| SECTION 16.3 Successors and Assigns | 77 |
| SECTION 16.4 Benefits of Indenture | 77 |
| SECTION 16.5 Rights or Powers of Providers of Credit Enhancement | 77 |
| SECTION 16.6 Calculation of Percentage of Holders Taking Action | 77 |
| SECTION 16.7 Amounts Due and Unpaid After Act of Bankruptcy | 78 |
| EXHIBIT 5.1(c)..... | Form of Series 2013-A Warrants |
| EXHIBIT 5.2(c)..... | Form of Series 2013-B Warrants |
| EXHIBIT 5.2(e)..... | Schedule of Compound Accreted Value for Series 2013-B Warrants |
| EXHIBIT 5.3(c)..... | Form of Series 2013-C Warrants |
| EXHIBIT 5.3(e)..... | Schedule of Compound Accreted Value for Series 2013-C Warrants |
| EXHIBIT 5.4(c)..... | Form of Series 2013-D Warrants |
| EXHIBIT 5.5(c)..... | Form of Series 2013-E Warrants |
| EXHIBIT 5.5(e)..... | Schedule of Compound Accreted Value for Series 2013-E Warrants |
| EXHIBIT 5.6(c)..... | Form of Series 2013-F Warrants |
| EXHIBIT 5.6(e)..... | Schedule of Compound Accreted Value for Series 2013-F Warrants |
| EXHIBIT 9.2(b) | Requisition for Payments from Revenue Fund |
| EXHIBIT 9.6(g) | Series 2013 Senior Lien Reserve Fund Letter of Credit Reimbursement Order |
| EXHIBIT 9.7(g) | Series 2013 Subordinate Lien Reserve Fund Letter of Credit Reimbursement Order |
| EXHIBIT 9.8(c)..... | Requisition for Payments from Capital Improvement Fund |
| EXHIBIT 15.5 | Schedule of Permitted Ratios of Senior Lien Obligations to Secured Obligations |
| EXHIBIT 16.1(b)..... | Directions for Notices |

TRUST INDENTURE

THIS TRUST INDENTURE dated December 1, 2013 is entered into by **JEFFERSON COUNTY, ALABAMA**, a political subdivision of the State of Alabama (the “Issuer”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as trustee (the “Trustee”).

Recitals

The Issuer has duly authorized the issuance of its (i) [\$375,000,000] aggregate principal amount of Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A (the “Series 2013-A Warrants”), (ii) [\$55,693,095.85] aggregate principal amount of Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B (the “Series 2013-B Warrants”), (iii) [\$69,308,272.15] aggregate principal amount of Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C (the “Series 2013-C Warrants”), (iv) [\$750,155,000] aggregate principal amount of Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D (the “Series 2013-D Warrants”), (v) [\$71,935,073.95] aggregate principal amount of Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E (the “Series 2013-E Warrants”), and (vi) [\$416,317,273] aggregate principal amount of Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F (the “Series 2013-F Warrants”, and, together with the Series 2013-A Warrants, the Series 2013-B Warrants, the Series 2013-C Warrants, the Series 2013-D Warrants, and the Series 2013-E Warrants, the “Warrants”) pursuant to this Indenture.

The Issuer owns and operates a sanitary sewer system (the “System”) that currently serves customers in Jefferson County, Alabama and small portions of two adjacent counties. On November 9, 2011, the Issuer filed a petition for relief under Chapter 9 of Title 11 of the United States Code, thereby commencing Bankruptcy Case No. 11-05736-TBB9 (the “Bankruptcy Case”) before the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the “Bankruptcy Court”). The Bankruptcy Court has confirmed the Issuer’s plan of adjustment (the “Confirmed Plan of Adjustment”), a material component of which is the restructuring of the Issuer’s financial obligations with respect to its System through the issuance of the Warrants pursuant to this Indenture.

Certain sewer revenue warrants of the Issuer are currently outstanding under that certain Trust Indenture dated as of February 1, 1997, as supplemented and amended (the “Retired Warrants Indenture”), between the Issuer and The Bank of New York Mellon Trust Company, N.A., in its capacity as successor trustee (the “Retired Warrants Trustee”). The seven series of warrants outstanding as of the date hereof under the Retired Warrants Indenture are as follows: (1) Sewer Revenue Warrants, Series 1997-A, (2) Sewer Revenue Capital Improvement Warrants, Series 2001-A, (3) Sewer Revenue Capital Improvement Warrants, Series 2002-A, (4) Sewer Revenue Warrants, Series 2002-C, (5) Sewer Revenue Warrant, Series 2003-A, (6) Sewer Revenue Warrants, Series 2003-B, and (7) Sewer Revenue Warrants, 2003-C (collectively, the “Retired Warrants”).

The Warrants are being issued for the purpose of providing a large portion of the funds necessary to implement the Issuer’s Confirmed Plan of Adjustment. Pursuant to the Confirmed Plan of Adjustment, the Retired Warrants will not be paid in full, and the proceeds of the Warrants, together with certain funds of the Issuer and funds on deposit under the Retired Warrants Indenture, will be distributed to the holders of the Retired Warrants or will be distributed by or on behalf of the Issuer to pay certain other creditors of the Issuer, all in amounts specified in the Confirmed Plan of Adjustment. On the Effective Date, as such term is defined in the Confirmed Plan of Adjustment, the Retired Warrants and the Retired Warrants Indenture will be cancelled, and the Issuer will be released from all further obligations with respect thereto.

The Warrants are limited obligations of the Issuer payable solely out of the Trust Estate established under this Indenture, which includes the System Revenues described herein.

This Indenture pledges the gross revenues from the System (the “System Revenues”) for the benefit of the Holders of all debt obligations secured by this Indenture (all debt obligations secured by this Indenture, including the Warrants, being referred to collectively as “Secured Obligations”). The System Revenues and the General Indenture Funds are part of the General Trust Estate established under this Indenture. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment

from the General Trust Estate established under this Indenture; and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-A Warrants, the Series 2013-B Warrants and the Series 2013-C Warrants (also referred to collectively in this Indenture as the “Series 2013 Senior Lien Obligations”) are being issued as Senior Lien Obligations. The Series 2013-D Warrants, the Series 2013-E Warrants and Series 2013-F Warrants (also referred to collectively in this Indenture as the “Series 2013 Subordinate Lien Obligations”) are being issued as Subordinate Lien Obligations. This Indenture permits the issuance of additional Senior Lien Obligations secured on a parity of lien with the Series 2013 Senior Lien Obligations with respect to the General Trust Estate (subject to certain limitations described herein), and this Indenture permits the issuance of additional Subordinate Lien Obligations secured on a parity of lien with the Series 2013 Subordinate Lien Obligations with respect to the General Trust Estate.

Payment of the Series 2013 Senior Lien Obligations is further secured by the Series 2013 Senior Lien Trust Estate, which includes the Series 2013 Senior Lien Indenture Funds described herein, and which are held by the Trustee for the sole benefit of Holders of the Series 2013 Senior Lien Obligations. Payment of the Series 2013 Subordinate Lien Obligations is further secured by the Series 2013 Subordinate Lien Trust Estate, which includes the Series 2013 Subordinate Lien Indenture Funds described herein, and which are held by the Trustee for the sole benefit of the Holders of the Series 2013 Subordinate Lien Obligations.

The Series 2013 Senior Lien Trust Estate includes the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund is being collateralized with a letter of credit being issued contemporaneously with the issuance of the Warrants by JPMorgan Chase Bank. Likewise, the Series 2013 Subordinate Lien Trust Estate includes the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund is being collateralized with a letter of credit being issued contemporaneously with the issuance of the Warrants by JPMorgan Chase Bank. To the extent draws are made on the Series 2013 Senior Lien Reserve Fund Letter of Credit, the Issuer will provide its Senior Lien Reserve Fund Reimbursement Warrants to JPMorgan Chase Bank, in such principal amount or amounts that equal the applicable draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit. To the extent draws are made on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, the Issuer will provide its Subordinate Lien Reserve Fund Reimbursement Warrants to JPMorgan Chase Bank, in such principal amount or amounts that equal the applicable draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. The Reserve Fund Warrants are being secured pursuant to a First Supplemental Trust Indenture dated December 1, 2013 (the “First Supplemental Indenture”), which is being entered into by the Issuer and the Trustee contemporaneously with this Indenture. The Reserve Fund Warrants are more particularly described in the First Supplemental Indenture.

The Confirmed Plan of Adjustment and related confirmation order provide a binding judicial determination that the Warrants, the Reserve Fund Warrants, this Indenture, the First Supplemental Indenture, the Rate Resolution, and the covenants made by the Issuer for the benefit of the holders of the Warrants (including the covenants provided for in *Section 10.9* of this Indenture) will constitute legal, valid, binding and enforceable obligations of the Issuer. The Confirmed Plan of Adjustment and related confirmation order further provide that the Commission shall adopt and maintain a sewer rate structure in accordance with the Rate Resolution and as necessary for the Issuer to satisfy its obligations arising under the Warrants and this Indenture, including increases in sewer rates to the extent necessary to allow the timely satisfaction of the Issuer’s obligations under this Indenture.

All things have been done which are necessary to make the Warrants, when executed by the Issuer and authenticated and delivered by the Trustee hereunder, the valid obligations of the Issuer, and to constitute this Indenture a valid trust indenture for the security of the Secured Obligations, in accordance with the terms of this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

It is hereby covenanted and declared that all the Warrants are to be authenticated and delivered and the property subject to this Indenture is to be held and applied by the Trustee, subject to the covenants, conditions and trusts hereinafter set forth, and the Issuer does hereby covenant and agree to and with the Trustee, for the equal and proportionate benefit (except as otherwise expressly provided herein) of all Warrants as follows:

ARTICLE 1

Definitions and Other Provisions of General Application

SECTION 1.1 Definitions

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meaning indicated:

“Accreted Value” means, on any date of calculation or determination with respect to any Capital Appreciation Obligations or Convertible Capital Appreciation Obligations, the sum of the Initial Principal Amount of such warrants plus the amount of interest accreted on such warrants to and including such date.

“Act” means Act No. 716 adopted at the 1900-01 Session of the Alabama Legislature, pursuant to which the Issuer is authorized to levy an ad valorem tax for the benefit of the System.

“Act of Bankruptcy” means the filing of a petition in bankruptcy (or the other commencement of a bankruptcy or similar proceeding) by the Issuer after the effective date of this Indenture under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect.

“Additional Secured Obligation Reserve Fund Requirement” means, with respect to Secured Obligations issued after the date of issuance of the Warrants, the amount required to be on deposit in any Secured Obligation Reserve Fund established pursuant to a Supplemental Indenture.

“Affiliate” of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, “control” when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Amendment 73” means Amendment 73 to the Constitution of the State.

“Authorized Denominations” means (i) with respect to the Series 2013-A Warrants or the Series 2013-D Warrants, a principal amount equal to \$5,000 or any integral multiple thereof, (ii) with respect to the Series 2013-B Warrants or Series 2013-E Warrants, a principal amount or Accreted Value due at maturity equal to \$5,000 or any integral multiple thereof, (iii) with respect to the Series 2013-C Warrants or Series 2013-F Warrants, a principal amount or Accreted Value at the Current Interest Commencement Date equal to \$5,000 or any integral multiple thereof, and from and after the Current Interest Commencement Date, a principal amount equal to \$5,000 or any integral multiple thereof, (iv) with respect to additional Secured Obligations, the amount specified in a Supplemental Indenture.

“Authorized Issuer Representative” means the President of the Commission, the County Manager, the Chief Financial Officer of the Issuer, or any other officer or agent of the Issuer authorized by resolution of the Commission to act as “Authorized Issuer Representative” for purposes of the Secured Obligation Documents.

“Balloon Debt” means Current Interest Obligations 50% or more of the original principal amount of which matures during any 12-month period. For purposes of this definition, the principal amount of Secured Obligations required to be redeemed prior to maturity shall be deemed payable on the mandatory redemption date rather than at maturity. For the avoidance of doubt, this definition shall not apply to Capital Appreciation Obligations or to Convertible Capital Appreciation Obligations prior to the Current Interest Commencement Date applicable thereto.

“Bankruptcy Case” means *In re Jefferson County, Alabama*, Case No. 11-05736-TBB9 adjudicated in the Bankruptcy Court.

“Bankruptcy Court” means the United States Bankruptcy Court for the Northern District of Alabama, Southern Division.

“Book Entry System” means the electronic system maintained by DTC for the ownership, transfer, exchange and payment of debt obligations.

“Budgeted System Costs” means all reasonable and necessary direct or indirect expenses of operating and maintaining the System projected to be payable from System Revenues for a Fiscal Year other than (i) Debt Service Requirements, (ii) all amounts payable on Unsecured Obligations, (iii) Capital Improvements, (iv) depreciation, (v) amortization, (vi) other non-cash expenses, and (vii) customer security deposits.

“Business Day” means any day other than a Saturday, a Sunday, or a day on which the Trustee is authorized to be closed under general law or regulation applicable in the place where the Trustee performs its business with respect to the Indenture.

“Callable Warrants” means Warrants that are subject to redemption at the option of the Issuer.

“Capital Appreciation Obligations” means warrants or other debt obligations that do not pay interest on a current basis to the Holders thereof, but rather accrete in value over time as provided in the Indenture or Supplemental Indenture pursuant to which such obligations are issued.

“Capital Improvement Fund” means the fund established pursuant to *Section 9.8*.

“Capital Improvements” means improvements or additions to the System that are chargeable to the Issuer’s capital account (or could be chargeable if so elected by the Issuer) determined in accordance with generally accepted accounting principles.

“Commission” means the Jefferson County Commission, the governing body of the Issuer.

“Compounding Date” means, with respect to a Capital Appreciation Warrant or a Convertible Capital Appreciation Warrant, the periodic date on which the Accreted Value on such Warrant is to be compounded. The Compounding Dates applicable to the Series 2013-B Warrants are specified in *Section 5.2(d)*; the Compounding Dates applicable to the Series 2013-C Warrants are specified in *Section 5.3(d)*; the Compounding Dates applicable to the Series 2013-E Warrants are specified in *Section 5.5(d)*; and the Compounding Dates applicable to the Series 2013-F Warrants are specified in *Section 5.6(d)*. The Compounding Date applicable to any other Secured Obligations shall be set forth in a Supplemental Indenture pursuant to which such Secured Obligations are issued.

“Confirmed Plan of Adjustment” means the Issuer’s chapter 9 plan of adjustment, as confirmed by order of the Bankruptcy Court (Docket No. [____]) in the Bankruptcy Case.

“Consent Decree” means the order entered by the United States District Court for the Northern District of Alabama in the consolidated cases styled *Kipp v. Jefferson County, Alabama* (Civil Action No. 93-G-2492-S) and *United States v. Jefferson County, Alabama* (Civil Action No. 94-G-2947-S) requiring the Issuer to undertake remedial actions with respect to the System.

“Continuing Disclosure Agreement” means the Continuing Disclosure Agreement entered into by the Issuer in connection with the issuance of the Warrants.

“Convertible Capital Appreciation Obligations” means warrants or other debt obligations that, for an initial period of time, do not pay interest on a current basis to the Holders thereof, but rather accrete in value until the Current Interest Commencement Date applicable to such obligations, and from such date, provide for interest to be paid to the Holders thereof at least annually, or more frequently, all as provided in the Indenture or Supplemental Indenture pursuant to which such obligations are issued.

“Costs of Issuance” means the expenses incurred in connection with the issuance of any Secured Obligations, including legal, consulting, accounting and underwriting fees and expenses.

“**Costs of Issuance Fund**” means the fund established pursuant to *Section 9.9*.

“**Credit Enhancement**” means a facility provided by a third party that provides a guaranty or other assurance for the payment of Debt Service on Secured Obligations or the purchase price of Secured Obligations tendered for purchase pursuant to optional or mandatory tender provisions applicable to such Secured Obligations, or both, including bond insurance, a letter of credit, or a standby warrant purchase agreement.

“**Current Interest Commencement Date**” means the date upon which (A) the Accreted Value of Convertible Capital Appreciation Obligations is converted to principal for the purpose of calculating future interest and (B) Convertible Capital Appreciation Obligations cease accreting interest and begin to accrue current interest. The Current Interest Commencement Date applicable to the Series 2013-C Warrants is specified in *Section 5.3(d)*, and the Current Interest Commencement Date applicable to the Series 2013-F Warrants is specified in *Section 5.6(d)*.

“**Current Interest Obligations**” means warrants or other debt obligations that provide for interest to be paid to the Holders thereof at least annually as provided in the Indenture or Supplemental Indenture pursuant to which such warrants are issued.

“**Debt Service**” means the principal, redemption premium (if any), and interest, whether accrued or accreted, payable on Secured Obligations.

“**Debt Service Requirements**” for any Fiscal Year means the scheduled Debt Service payments on Secured Obligations due and payable on [April 1] during such Fiscal Year and on the [October 1] immediately succeeding such Fiscal Year (Debt Service payable on [October 1] during the Fiscal Year for which such computation is made being excluded from this calculation); provided, however, that:

(1) The principal amount of Secured Obligations subject to scheduled mandatory redemption in any Fiscal Year shall be deemed to be payable in such Fiscal Year rather than the Fiscal Year of the stated maturity of such Secured Obligations.

(2) With respect to Secured Obligations bearing interest at a variable rate, the amount of interest payable during any period for which the actual rate cannot be determined shall be projected using the Index Rate.

(3) If Secured Obligations have been Defeased, all principal and interest due on such Secured Obligations after the effective date of such Defeasance shall be excluded from Debt Service Requirements.

(4) Interest payments on Secured Obligations which are entitled to payments under any federal government assistance program (such as the program for Build America Bonds under the American Recovery and Reinvestment Act of 2009 or similar program):

(A) with respect to calculations which are retrospective in nature, shall be reduced by the amount of any subsidy or credit payments to which the Issuer actually received; and

(B) with respect to calculations which involve the then current Fiscal Year or are prospective in nature, shall be reduced by the amount of any subsidy or credit payments to which the Issuer is entitled.

(5) Unscheduled principal payments (including principal payments resulting from the optional redemption of Secured Obligations or the purchase and retirement of Secured Obligations) shall be excluded from Debt Service Requirements.

(6) The repurchase obligation with respect to Secured Obligations subject to optional or mandatory tender for purchase shall be disregarded on any date of determination if the repurchase obligation of the Issuer is secured by Credit Enhancement on such date.

(7) With respect to Secured Obligations constituting Balloon Debt, Debt Service payable on such Secured Obligations shall be projected assuming (i) that the principal balance of such Secured Obligations on the date of determination is refinanced on the date of determination over a term equal to forty years less the number of whole years that have elapsed since such Secured Obligations were issued, (ii) that such principal balance will bear interest at the Index Rate, and (iii) that Debt Service on such Secured Obligations after the date of determination will be payable in approximately equal annual installments sufficient to pay both principal and interest.

“**Defaulted Interest**” means any interest on any Secured Obligation which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date.

“**Defeased**” or “**Defeasance**”, when used with respect to Indenture Indebtedness, shall have the meaning assigned in *Section 14.1*.

“**DTC**” means The Depository Trust Company and its successors and assigns.

“**Enabling Law**” means Title 11, Chapter 28 (Sections 11-28-1 *et seq.*) of the Code of Alabama 1975.

“**Favorable Tax Opinion**” means an Opinion of Counsel delivered by an attorney or firm of attorneys which is nationally recognized as bond counsel, stating in effect that the proposed action, together with any other changes with respect to Secured Obligations made or to be made in connection with such action, will not cause interest on the Secured Obligations to become includible in gross income of the Holders for purposes of federal income taxation.

“**Federal Securities**” means noncallable, nonprepayable, direct obligations of, or obligations the full and timely payment of which is guaranteed by, the United States of America.

“**Financing Participants**” means the Issuer and the Trustee.

“**First Supplemental Indenture**” means that certain First Supplemental Trust Indenture dated December 1, 2013 between the Issuer and the Trustee pursuant to which the Issuer’s Reserve Fund Warrants are secured.

“**Fiscal Year**” means the fiscal year of the Issuer ending as of September 30 (or such other date as established from time to time by requisite action of the Commission) of each year.

“**Fitch**” means Fitch Ratings, Inc.

“**General Indenture Funds**” has the meaning assigned in *Section 3.1(a)*.

“**General Trust Estate**” has the meaning assigned in *Section 3.1(a)*.

“**Holder**” or “**Warrantholder**” means:

(1) When used with respect to any Warrant, means (i) if the Book Entry System is not in effect, the person in whose name such Warrant is registered on the Warrant Register maintained by the Trustee and (ii) if the Book Entry System is in effect, the beneficial owner of such Warrant on the records maintained pursuant to the Book Entry System.

(2) When used with respect to any Secured Obligation other than Warrants, the owner of such Secured Obligation under the terms of the instrument authorizing the issuance of such Secured Obligation.

“**Indenture**” means this instrument as originally executed or as it may from time to time be supplemented, modified or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to

the applicable provisions hereof, including Supplemental Indentures executed with respect to additional Secured Obligations as provided in *Article 8*.

“**Indenture Default**” shall have the meaning assigned in *Section 11.1*. An Indenture Default shall “exist” if an Indenture Default shall have occurred and be continuing.

“**Indenture Funds**” means any fund or account established pursuant to this Indenture.

“**Indenture Indebtedness**” means all indebtedness of the Issuer at the time secured by this Indenture, including (a) Secured Obligations, (b) all reasonable fees, charges and disbursements of the Trustee for services performed (including administration), disbursements made or enforcement of rights provided Holders under this Indenture and (c) all amounts due and payable with respect to Credit Enhancement.

“**Independent Certified Public Accountant**” means a person or firm who (i) has a favorable regional or national reputation for skill and experience in governmental accounting, (ii) shall be appointed by the Issuer, (iii) does not have any direct financial interest or any material indirect financial interest in the Issuer or any Affiliate of the Issuer, (iv) does not serve as a member of the governing body of the Issuer or any Affiliate of the Issuer, and (v) is not employed by the Issuer or any Affiliate of the Issuer; provided that an Independent Certified Public Accountant may be the same person or firm which prepares the Issuer’s audited financial statements.

“**Independent Consultant**” means a person or firm who (i) has a favorable regional or national reputation for skill and experience in the operations and financial affairs of sewer systems, (ii) shall be appointed by the Issuer, (iii) does not have any direct financial interest or any material indirect financial interest in the Issuer or any Affiliate of the Issuer, (iv) does not serve as a member of the governing body of the Issuer or any Affiliate of the Issuer, and (v) is not employed by the Issuer or any Affiliate of the Issuer.

“**Index Rate**” shall mean the “Bond Buyer Revenue Bond Index” rate for 30-year tax-exempt revenue bonds, as published by *The Bond Buyer* on any date selected by the Issuer that is within 30 days prior to the date of such determination; provided, however, that if *The Bond Buyer* (or a successor publication) ceases to publish such index, the Index Rate shall be a comparable index selected by the Issuer.

“**Initial Principal Amount**” means the principal amount of Capital Appreciation Obligations or Convertible Capital Appreciation Obligations (prior to the applicable Current Interest Commencement Date), from which interest accretes. The Initial Principal Amount of the Series 2013-B Warrants is specified in *Section 5.2(b)*; the Initial Principal Amount of the Series 2013-C Warrants is specified in *Section 5.3(b)*; the Initial Principal Amount of the Series 2013-E Warrants is specified in *Section 5.5(b)*; and the Initial Principal Amount of the Series 2013-F Warrants is specified in *Section 5.6(b)*. The Initial Principal Amount applicable to any other Secured Obligations shall be set forth in a Supplemental Indenture pursuant to which such Secured Obligations are issued.

“**Insured Series 2013 Warrants**” shall mean, collectively, the Series 2013-A Warrants, the Series 2013-B Warrants and the Series 2013-C Warrants.

“**Interest Payment Date**” means (i) when used with respect to any installment of interest on a Warrant, means the date specified in this Indenture as the date on which such installment of interest is due and payable, and (ii) when used with respect to any installment of interest on any other Secured Obligation, the date specified in the related Supplemental Indenture as the date on which any installment of interest on such other Secured Obligation is due and payable.

“**Internal Revenue Code**” means the Internal Revenue Code of 1986, as amended.

“**Issuer**” means Jefferson County, Alabama, a political subdivision of the State.

“**JPMorgan Chase Bank**” means JPMorgan Chase Bank, National Association, the issuer of the Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit.

“**Maturity Date**” means (i) when used with respect to any Warrant, the date specified herein and in such Warrant as the date on which principal or Accreted Value of such Warrant is due and payable, (ii) when used with respect to any other Secured Obligation, the date specified in the related Supplemental Indenture as the date on which the principal or Accreted Value of such Secured Obligation is due and payable.

“**Minute Clerk**” means the employee of the Issuer designated by the Commission as the custodian of the official records of the proceedings of the Commission.

“**Moody’s**” means Moody’s Investors Service, Inc.

“**Net Income Available for Senior Lien Debt Service**” means the excess of System Revenues, income and gains from the System over expenses (including Operating Expenses to the extent in excess of Sewer Tax Proceeds) and losses from the System for the Fiscal Year in question, calculated in accordance with generally accepted accounting principles as used in preparing the most recent audited financial statements of the Issuer; provided, however, that for purposes of computing Net Income Available for Senior Lien Debt Service the following items shall be excluded from this computation: (a) Debt Service paid on all Secured Obligations, (b) all amounts payable on Unsecured Obligations, (c) expenditures for Capital Improvements, (d) depreciation and amortization, (e) unrealized gains or losses on investments, (f) other non-cash expenses, and (g) customer security deposits.

“**Net Income Available for Subordinate Lien Debt Service**” means the excess of System Revenues, income and gains from the System over (i) expenses (including Operating Expenses to the extent in excess of Sewer Tax Proceeds) and losses from the System and (ii) Debt Service Requirements on Senior Lien Obligations for the Fiscal Year in question, calculated in accordance with generally accepted accounting principles as used in preparing the most recent audited financial statements of the Issuer; provided, however, that for purposes of computing Net Income Available for Subordinate Lien Debt Service, the following items shall be excluded from this computation: (a) Debt Service paid on all Subordinate Lien Obligations, (b) all amounts payable on Unsecured Obligations, (c) expenditures for Capital Improvements, (d) depreciation and amortization, (e) unrealized gains or losses on investments, (f) other non-cash expenses, and (g) customer security deposits.

“**Obligor Obligations**” means Secured Obligations registered in the name of (or in the name of a nominee for) the Issuer, or any Affiliate of the Issuer. The Trustee may assume that no Secured Obligations are Obligor Obligations unless it has actual notice to the contrary.

“**Office of the Trustee**” means the office of the Trustee for hand delivery of notices, as specified pursuant to *Section 16.1*.

“**Operating Account**” means an account established by the Issuer in accordance with the provisions of *Section 9.5*.

“**Operating Expenses**” means all reasonable and necessary direct or indirect expenses of operating and maintaining the System determined in accordance with generally accepted accounting principles.

“**Opinion of Counsel**” means an opinion from an attorney or firm of attorneys with experience in the matters to be covered in the opinion. Except as otherwise expressly provided in this Indenture, the attorney or attorneys rendering such opinion may be counsel for one or more of the Financing Participants, including counsel in the full-time employment of a Financing Participant.

“**Outstanding**”, when used with respect to Secured Obligations means, as of the date of determination, all Secured Obligations authenticated and delivered under this Indenture, except:

- (a) Secured Obligations cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Secured Obligations for whose payment or redemption money in the necessary amount has been deposited with the Trustee in trust for the Holders of such Secured Obligations, provided that, if

such Secured Obligations are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(c) Secured Obligations in exchange for or in lieu of which other Secured Obligations have been authenticated and delivered under this Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Secured Obligations Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Secured Obligations owned by the Issuer shall be disregarded and deemed not to be Outstanding. Obligor Obligations which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Warrants and that if such pledgee was the Holder such Warrants would not be considered Obligor Obligations.

"Post-Default Rate" means (a) when used with respect to any payment of Debt Service on any Warrant, the interest rate applicable to such Warrant on the date such Debt Service became due, (b) when used with respect to any payment of Debt Service on any additional Secured Obligation issued hereunder, the interest rate specified in the applicable Supplemental Indenture, and (c) when used with respect to all other payments due under this Indenture, a variable rate equal to the "Prime Rate" as published in *The Wall Street Journal* plus 2.0% (200 basis points), in each case computed on the basis of a 365 or 366-day year, as the case may be, for actual days elapsed; provided that the Post-Default Rate shall never exceed 12% per annum.

"Qualified Investments" means:

- (a) Federal Securities;
- (b) obligations of the State, or obligations of any county or municipal corporation of the State, provided such obligations are rated by a Rating Agency in the any one of the three highest rating categories (without regard to variations within a category);
- (c) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States;
- (d) Obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States:
 - (1) Farmers Home Administration,
 - (2) General Services Administration,
 - (3) U. S. Maritime Administration,
 - (4) Small Business Administration,
 - (5) Government National Mortgage Association (GNMA),
 - (6) U. S. Department of Housing and Urban Development (HUD), or
 - (7) Federal Housing Administration (FHA);
- (e) U. S. dollar denominated deposit accounts and certificates of deposit with banks or savings associations which are qualified public depositories under Chapter 14A of Title 41 of the Code of Alabama 1975;
- (f) Pre-refunded public obligations, defined as follows: Any bonds or other obligations of any state of the United States or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has

been given by the obligor to call on the date specified in the notice, and (ii) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in subdivision (b) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (iii) which fund is sufficient, as verified by an Independent Certified Public Accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this paragraph, as appropriate, and (iv) which are rated, based on the escrow, in the highest rating category of S&P and Moody's, or any successors thereto; or

(g) Interests, however evidenced, in any common trust fund or other collective investment fund maintained by any national or state chartered bank, trust company or savings association having trust powers (including the Trustee or an affiliate of the Trustee), or securities of or other interests in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, so long as all of the following requirements are met at the time of purchase and during the term of investment: (i) At least 65% of the portfolio of such common trust fund, collective investment fund or investment company or investment trust must consist of investments authorized in subdivisions (b), (c), (d), or (e) above, and (ii) the remainder of the portfolio (if any, but not more than 35%) may consist only of the following investments: (y) obligations issued or guaranteed by the following agencies (stripped securities are only permitted if such security is created by the agency itself): Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), including FNMA, and FHLMC participation certificates, Federal Land Banks, Central Bank for Cooperatives, Federal Intermediate Credit Banks, Student Loan Marketing Association, and Federal Home Loan Banks, or (z) repurchase agreements fully collateralized by obligations, securities or investments otherwise authorized under subclauses (i) and (ii) of this paragraph (g), so long as the common trust fund, collective investment fund, investment company or investment trust takes possession and delivery of the collateral for any repurchase agreement either directly or through an authorized custodian. The fact that any financial institution making such investment on behalf of the Issuer, or any affiliate of such financial institution, is providing services to the investment company or investment trust as an investment advisor, sponsor, distributor, custodian, transfer agent, registrar, or otherwise, and is receiving reasonable remuneration for such services, shall not preclude such institution from making the investment in the securities of such investment company or investment trust; provided, however, that with respect to any account for which fees are charged for such services, the said financial institution shall disclose (by prospectus, account statement or otherwise) to the Issuer or to any third party directing investments the basis (expressed as a percentage of asset value or otherwise) upon which the fee is calculated.

“**Rate Resolution**” means that certain resolution duly adopted by the Commission on September 23, 2013 and recorded in Minute Book 165, Pages 330 through 344 of the official records of the Commission.

“**Rating Agency**” means Moody’s, S&P, Fitch and any other nationally recognized securities rating agency specified by the Issuer.

“**Rebate Liability**” means the amount of any rebate due to the United States Treasury with respect to any series of Secured Obligations pursuant to Section 148(f) of the Internal Revenue Code.

“**Regular Record Date**” means the 15th day (whether or not a Business Day) of the month preceding each Interest Payment Date.

“Required Coverage Ratios” means the following ratios:

(1) *Senior Debt Ratio.* Net Income Available for Senior Lien Debt Service for the Fiscal Year in question must be not less than 125% of Debt Service Requirements on Senior Lien Obligations payable during such Fiscal Year.

(2) *Subordinate Debt Ratio.* Net Income Available for Subordinate Lien Debt Service for the Fiscal Year in question must be not less than 110% of Debt Service Requirements on Subordinate Lien Obligations payable during such Fiscal Year.

The Issuer must satisfy both ratios in order to be in compliance with the Required Coverage Ratios.

“Required Operating Reserve”, when used with respect to any Fiscal Year, means an amount equal to 1/4 of the total Budgeted System Costs projected by the Issuer’s operating budget for the System for such Fiscal Year prepared pursuant to *Section 10.8(f)*.

“Required Transfer or Deposit” means any payment, transfer or deposit provided for in *Sections 9.2(a)(1)* through *(5)*.

“Reserve Fund Requirement” means the sum of the Series 2013 Senior Lien Reserve Fund Requirement, the Series 2013 Subordinate Lien Reserve Fund Requirement and any Additional Secured Obligation Reserve Fund Requirement.

“Reserve Fund Warrants” means, collectively, the Issuer’s Senior Reserve Fund Reimbursement Warrants and Subordinate Lien Reserve Fund Reimbursement Warrants, secured by and authorized to be issued pursuant to the First Supplemental Indenture.

“Retired Warrants” means the Issuer’s (1) Sewer Revenue Warrants, Series 1997-A, (2) Sewer Revenue Capital Improvement Warrants, Series 2001-A, (3) Sewer Revenue Capital Improvement Warrants, Series 2002-A, (4) Sewer Revenue Warrants, Series 2002-C, (5) Sewer Revenue Warrant, Series 2003-A, (6) Sewer Revenue Warrants, Series 2003-B, and (7) Sewer Revenue Warrants, 2003-C.

“Retired Warrants Trustee” means The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama.

“Revenue Fund” means the fund established pursuant to *Section 9.1*.

“S&P” means Standard & Poor’s Financial Services, LLC.

“Secured Obligation Debt Service Funds” means the Series 2013 Senior Lien Debt Service Fund, the Series 2013 Subordinate Lien Debt Service Fund and any fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(1)(F)* for the payment of Debt Service on Secured Obligations.

“Secured Obligation Documents” means this Indenture (including all Supplemental Indentures) and the Secured Obligations.

“Secured Obligation Reserve Funds” means the Series 2013 Senior Lien Reserve Fund, the Series 2013 Subordinate Lien Reserve Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(1)(G)* to secure payment of Secured Obligations.

“Secured Obligations” means Senior Lien Obligations and Subordinate Lien Obligations.

“Senior Lien Debt Service Fund” means the Series 2013 Senior Lien Debt Service Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(1)(F)* for the payment of Debt Service on Senior Lien Obligations.

“**Senior Lien Obligations**” means warrants or other debt obligations that are payable pursuant to the priority established by *Section 9.2(a)(1)* whether issued under this Indenture or pursuant to a Supplemental Indenture.

“**Senior Lien Reserve Fund**” means the Series 2013 Senior Lien Reserve Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(1)(G)* to secure payment of Senior Lien Obligations.

“**Series 2013 Clearing Account**” means the account established pursuant to *Section 5.7(a)* for the initial receipt and distribution of proceeds from the initial sale and delivery of the Warrants and of amounts remitted by the Refunded Warrants Trustee pursuant to the Confirmed Plan of Adjustment.

“**Series 2013 Collateral Support Agreement**” means that certain Series 2013 Collateral Support Agreement between the Trustee and JPMorgan Chase Bank dated the date of this Indenture governing [JPMorgan entity’s] collateral delivery obligations with respect to the Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit.

“**Series 2013 Insurance Policy**” means that certain municipal bond insurance policy numbered [_____] issued by the Series 2013 Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Series 2013 Warrants when due. The Series 2013 Insurance Policy shall constitute Credit Enhancement.

“**Series 2013 Insurer**” shall mean Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“**Series 2013 Senior Lien Debt Service Fund**” means the fund established pursuant to *Section 9.3*.

“**Series 2013 Senior Lien Indenture Funds**” has the meaning assigned in *Section 3.1(b)*.

“**Series 2013 Senior Lien Obligations**” means the Series 2013-A Warrants, the Series 2013-B Warrants, and the Series 2013-C Warrants.

“**Series 2013 Senior Lien Reserve Fund**” means the fund established pursuant to *Section 9.6*.

“**Series 2013 Senior Lien Reserve Fund Letter of Credit**” means that certain irrevocable letter of credit no. _____ issued by JPMorgan Chase Bank and delivered to the Trustee as security for the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund Letter of Credit shall constitute Credit Enhancement.

“**Series 2013 Senior Lien Reserve Fund Requirement**”, as determined on the date of initial delivery of the Series 2013 Senior Lien Obligations pursuant to *Section 9.6*, means the lesser of (a) 125% of the average annual Debt Service Requirements on the Series 2013 Senior Lien Obligations Outstanding, (b) maximum annual Debt Service Requirements on the Series 2013 Senior Lien Obligations Outstanding, or (c) 10% of the principal amount of the Series 2013 Senior Lien Obligations Outstanding. On the date of initial delivery of the Series 2013 Senior Lien Obligations, the Series 2013 Senior Lien Reserve Fund Requirement is \$_____.

“**Series 2013 Senior Lien Trust Estate**” has the meaning assigned in *Section 3.1(b)*.

“**Series 2013 Subordinate Lien Debt Service Fund**” means the fund established pursuant to *Section 9.4*.

“**Series 2013 Subordinate Lien Indenture Funds**” has the meaning assigned in *Section 3.1(c)*.

“**Series 2013 Subordinate Lien Obligations**” means the Series 2013-D Warrants, the Series 2013-E Warrants, and the Series 2013-F Warrants.

“**Series 2013 Subordinate Lien Reserve Fund**” means the fund established pursuant to *Section 9.7*.

“**Series 2013 Subordinate Lien Reserve Fund Letter of Credit**” means that certain irrevocable letter of credit no. _____ issued by JPMorgan Chase Bank and delivered to the Trustee as security for the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall constitute Credit Enhancement.

“**Series 2013 Subordinate Lien Reserve Fund Requirement**” as determined on the date of initial delivery of the Series 2013 Subordinate Lien Obligations pursuant to *Section 9.7*, means the lesser of (a) 125% of the average annual Debt Service Requirements on the Series 2013 Subordinate Lien Obligations Outstanding, (b) maximum annual Debt Service Requirements on the Series 2013 Senior Lien Obligations Outstanding, or (c) 10% of the principal amount of the Series 2013 Subordinate Lien Obligations Outstanding as of the date of original issuance. On the date of initial delivery of the Series 2013 Subordinate Lien Obligations, the Series 2013 Subordinate Lien Reserve Fund Requirement is \$_____.

“**Series 2013 Subordinate Lien Trust Estate**” has the meaning assigned in *Section 3.1(c)*.

“**Series 2013-A Warrants**” means the Issuer’s [\$375,000,000] Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A, issued pursuant to this Indenture. The Series 2013-A Warrants are being issued as Senior Lien Obligations and as Current Interest Obligations.

“**Series 2013-B Warrants**” means the Issuer’s [\$55,693,095.85] Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B, issued pursuant to this Indenture. The Series 2013-B Warrants are being issued as Senior Lien Obligations and as Capital Appreciation Obligations.

“**Series 2013-C Warrants**” means the Issuer’s [\$69,308,272.15] Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C issued pursuant to this Indenture. The Series 2013-C Warrants are being issued as Senior Lien Obligations and as Convertible Capital Appreciation Obligations.

“**Series 2013-D Warrants**” means the Issuer’s [\$750,155,000] Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D, issued pursuant to this Indenture. The Series 2013-D Warrants are being issued as Subordinate Lien Obligations and as Current Interest Obligations.

“**Series 2013-E Warrants**” means the Issuer’s [\$71,935,073.95] Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E issued pursuant to this Indenture. The Series 2013-E Warrants are being issued as Subordinate Lien Obligations and as Capital Appreciation Obligations.

“**Series 2013-F Warrants**” means the Issuer’s [\$416,317,273] Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F issued pursuant to this Indenture. The Series 2013-F Warrants are being issued as Subordinate Lien Obligations and as Convertible Capital Appreciation Obligations.

“**Sewer Tax Proceeds**” means the proceeds from the ad valorem tax levied by the Issuer pursuant to authority granted by the Act.

“**Special Record Date**” for the payment of any Defaulted Interest on the Warrants means a date fixed by the Trustee pursuant to *Section 4.1(b)(7)* or *Section 4.2(l)*. The Special Record Date for additional Secured Obligations shall be set forth in a Supplemental Indenture pursuant to which such Secured Obligations are issued

“**State**” means the State of Alabama.

“**Subordinate Lien Debt Service Fund**” means the Series 2013 Subordinate Lien Debt Service Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(I)(F)* for the payment of Debt Service on Subordinate Lien Obligations.

“**Subordinate Lien Obligations**” means warrants or other debt obligations that are payable pursuant to the priority established by *Section 9.2(a)(3)* whether issued pursuant to this Indenture or pursuant to a Supplemental Indenture.

“**Subordinate Lien Reserve Fund**” means the Series 2013 Subordinate Lien Reserve Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(I)(G)* to secure payment of Subordinate Lien Obligations.

“**Supplemental Indenture**” means a supplement to this Indenture authorizing the issuance of Secured Obligations that meets the requirements of *Article 8*.

“**System**” means the sanitary sewer system owned and operated by the Issuer, as now or hereafter constituted.

“**System Revenues**” means all revenues derived from the ownership or operation of the System.

“**Tax Certificate and Agreement**” means (a) that certain Tax Certificate and Agreement entered into by the Issuer contemporaneously with the issuance of the Warrants and (b) any similar agreement entered into by the Issuer contemporaneously with the issuance of additional Secured Obligations the interest on which is excluded from gross income of the holders of such Secured Obligations for purposes of federal income taxation.

“**Tenor**”, when used to describe the distinguishing characteristics of a Secured Obligation or group of Secured Obligations, means the series designation, Maturity Date, interest rate and CUSIP number of such Secured Obligation or group of Secured Obligations. Secured Obligations of the same Tenor have the same series designation, Maturity Date, interest rate and CUSIP number.

“**Term Warrants**” means Warrants subject to scheduled mandatory redemption in accordance with the provisions of *Section 7.1(b)* or *7.1(f)*.

“**Trust Estate**” means the General Trust Estate, the Series 2013 Senior Lien Trust Estate and the Series 2013 Subordinate Lien Trust Estate, and for any particular series of Secured Obligations, the funds designated pursuant to *Section 8.2(a)(I)(H)*.

“**Trustee**” means Wells Fargo Bank, National Association, a national banking association, as trustee, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” means such successor.

“**Unsecured Obligations**” means any (a) debt, (b) contract entered into with respect to interest rate exchange agreements with respect to debt, or (c) other contractual obligations of the Issuer (other than Operating Expenses) that are undertaken for the benefit of the System and are either (i) payable from System Revenues but are not secured by a pledge of the System Revenues or (ii) payable from System Revenues but are secured by a pledge of the System Revenues that is subject and subordinate to the lien of this Indenture.

“**Warrant Payment Date**” means each date on which Debt Service is payable on Warrants, including any date fixed for redemption of Warrants.

“**Warrant Register**” means the register or registers for the registration and transfer of Warrants maintained by the Issuer at the Office of the Trustee pursuant to *Sections 4.1(b)(I)* and *4.2(c)*.

“**Warrants**” means, collectively, the Series 2013-A Warrants, the Series 2013-B Warrants, the Series 2013-C Warrants, the Series 2013-D Warrants, the Series 2013-E Warrants, and the Series 2013-F Warrants issued pursuant to this Indenture.

SECTION 1.2 General Rules of Construction

For all purposes of this 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 meaning assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles applicable to the Issuer. All references herein to “generally accepted accounting principles” refer to such principles as they exist as of 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 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 Effect of Action by Holders of Secured Obligations

Any request, demand, authorization, direction, notice, consent, waiver or other action by the Holder of any Secured Obligation shall bind every future Holder of the same Secured Obligation and the Holder of every Secured Obligation 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 Issuer in reliance thereon, whether or not notation of such action is made upon such Secured Obligation.

SECTION 1.4 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 1.5 Date of Indenture

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

SECTION 1.6 Separability Clause

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

SECTION 1.7 Governing Law

This Indenture shall be construed in accordance with and governed by the laws of the State. The provisions of this Indenture, all covenants contained herein, and all actions to be taken hereunder shall be subject to the laws of the State.

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 for Performance

Except as otherwise expressly provided herein, any reference in this Indenture to the time of day means (i) if the Book Entry System is in effect, the time of day in the city where DTC maintains its place of business for the performance of its obligations under the Book Entry System or (ii) if the Book Entry System is no longer in effect, the time of day in the city where the Trustee maintains its place of business for the performance of its obligations under this Indenture.

ARTICLE 2

Source of Payment

SECTION 2.1 Limited Source of Payment of Secured Obligations

The Secured Obligations and any other payment obligations under this Indenture are limited obligations of the Issuer payable solely out of the Trust Estate. The Secured Obligations and any other payment obligations under this Indenture shall not constitute or give rise to a general indebtedness or liability of, and shall not constitute a charge against the general credit or taxing powers of, the Issuer. The State shall have no liability whatsoever to make any payment under this Indenture.

SECTION 2.2 Officials, Officers and Employees of the Issuer Exempt from Individual Liability

No recourse under or upon any covenant or agreement of this Indenture, or of any Secured Obligations, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 Indenture and the Secured Obligations issued hereunder are solely the limited obligations of the Issuer, and that no personal or pecuniary liability whatsoever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Secured Obligations, or under or by reason of the covenants or agreements contained in this Indenture or in any Secured Obligations or implied therefrom. The provisions of this *Section 2.2* are not intended to preclude the enforcement of remedies provided for in *Article 11* against the Trust Estate secured by this Indenture.

ARTICLE 3

Security for Payment

SECTION 3.1 Pledge and Assignment

(a) **General Trust Estate for Benefit of all Secured Obligations.** To secure the payment of Debt Service on the Secured Obligations and the performance of the covenants contained in this Indenture that are for the benefit of all Secured Obligations, and in consideration of the premises and of the purchase of the Secured Obligations by the Holders thereof, the Issuer hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the following property:

(1) **System Revenues.** All right, title and interest of the Issuer in and to the System Revenues and all rights to receive the same.

(2) **General Indenture Funds.** Money and investments from time to time on deposit in, or forming a part of, the following Indenture Funds: the Revenue Fund, the Operating Account, the Costs of Issuance Fund and the Capital Improvement Fund (collectively, the "General Indenture Funds").

(3) **Other Property.** Any and all property of every kind or description which may, from time to time hereafter, by delivery or by writing of any kind, be specifically subjected to the lien of this Indenture as additional security for the Secured Obligations by the Issuer or anyone on its part or with its consent, or which pursuant to any of the provisions hereof may come into the possession or control of the Trustee or a receiver appointed pursuant to this Indenture. The Trustee is hereby authorized to receive any and all such property as and for additional security for the obligations secured hereby and to hold and apply all such property subject to the terms hereof.

To Have and to Hold all such property, rights and privileges (collectively referred to as the “General Trust Estate”) unto the Trustee and its successors and assigns.

But in Trust Nevertheless, for the benefit and security of the Holders from time to time of all Secured Obligations without any priority of any such Senior Lien Obligation over any other Senior Lien Obligation, and (subject to the priority of Senior Lien Obligations over Subordinate Lien Obligations) without any priority of any Subordinate Lien Obligation over any other Subordinate Lien Obligation.

Provided, However, that (i) Holders of Senior Lien Obligations have a first priority lien with respect to right of payment from the General Trust Estate, (ii) Holders of Subordinate Lien Obligations have a second priority lien with respect to right of payment from the General Trust Estate, (iii) money and investments in the General Indenture Funds may be applied for the purposes and on the terms and conditions set forth in this Indenture, and (iv) the lien of the General Trust Estate in favor of Secured Obligations is subject to the provisions of **Section 12.7(b)**.

(b) **Trust Estate for Benefit of the Series 2013 Senior Lien Obligations.** To secure the payment of Debt Service on the Series 2013 Senior Lien Obligations and the performance of the covenants contained in this Indenture that are for the benefit of the Series 2013 Senior Lien Obligations, and in consideration of the premises and of the purchase of the Series 2013 Senior Lien Obligations by the Holders thereof, the Issuer hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the Series 2013 Senior Lien Debt Service Fund and the Series 2013 Senior Lien Reserve Fund (the Series 2013 Senior Lien Debt Service Fund and the Series 2013 Senior Lien Reserve Fund being sometimes collectively referred to herein as the “Series 2013 Senior Lien Indenture Funds”).

To Have and to Hold all such property, rights and privileges (collectively referred to as the “Series 2013 Senior Lien Trust Estate”) unto the Trustee and its successors and assigns.

But in Trust Nevertheless, for the equal and proportionate benefit and security of the Holders from time to time of the Series 2013 Senior Lien Obligations (without any priority of any such Series 2013 Senior Lien Obligation over any other Series 2013 Senior Lien Obligation).

Provided, However, that money and investments in the Series 2013 Senior Lien Indenture Funds may be applied for the purposes and on the terms and conditions set forth in this Indenture.

(c) **Trust Estate for Benefit of the Series 2013 Subordinate Lien Obligations.** To secure the payment of Debt Service on the Series 2013 Subordinate Lien Obligations and the performance of the covenants contained in this Indenture that are for the benefit of the Series 2013 Subordinate Lien Obligations, and in consideration of the premises and of the purchase of the Series 2013 Subordinate Lien Obligations by the Holders thereof, the Issuer hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the Series 2013 Subordinate Lien Debt Service Fund and the Series 2013 Subordinate Lien Reserve Fund (the Series 2013 Subordinate Lien Debt Service Fund and the Series 2013 Subordinate Lien Reserve Fund being sometimes collectively referred to herein as the “Series 2013 Subordinate Lien Indenture Funds”).

To Have and to Hold all such property, rights and privileges (collectively referred to as the “Series 2013 Subordinate Lien Trust Estate”) unto the Trustee and its successors and assigns.

But in Trust Nevertheless, for the equal and proportionate benefit and security of the Holders from time to time of the Series 2013 Subordinate Lien Obligations (without any priority of any such Series 2013 Subordinate Lien Obligation over any other Series 2013 Subordinate Lien Obligation).

Provided, However, that money and investments in the Series 2013 Subordinate Lien Indenture Funds may be applied for the purposes and on the terms and conditions set forth in this Indenture.

(d) **Sewer Tax Proceeds.** For the avoidance of doubt, Sewer Tax Proceeds shall not be part of, subject to the lien of, or in any way pledged to the Trust Estate.

ARTICLE 4

Registration, Transfer, Exchange and Payment of the Warrants

SECTION 4.1 The Book Entry System for the Warrants

(a) The ownership, transfer, exchange and payment of Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to *Section 4.1(c)*.

(b) Except as otherwise expressly provided in this Indenture, while Warrants are in the Book Entry System the following provisions shall apply:

(1) In order to facilitate the Book Entry System, a physical certificate or physical certificates for the Warrants shall be executed and authenticated, registered in the Warrant Register in the name of DTC or its nominee, and delivered to DTC for safekeeping (including safekeeping by the Trustee pursuant to the "FAST" system or other procedures of the Book Entry System).

(2) The term "Warrant" means each separate security credited to a beneficial owner, or entitlement holder, pursuant to the Book Entry System, and the term "Holder" means the person identified pursuant to the Book Entry System as the beneficial owner of the related security.

(3) The terms and limitations of this Indenture with respect to each separate Warrant shall be applicable to each separate security credited to a beneficial owner under the Book Entry System.

(4) All payments of Debt Service on the Warrants shall be made by the Trustee through the Book Entry System, and payments by such method shall be valid and effective fully to satisfy and discharge the Issuer's obligations with respect to such payments.

(5) Transfers and exchanges of Warrants shall be reflected on the records of DTC in accordance with the Book Entry System.

(6) No service charge shall be made for any transfer or exchange of Warrants, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Warrants.

(7) Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose names such Warrants are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee of the amount of Defaulted Interest proposed to be paid on each Warrant and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided and not to be deemed part of the Trust

Estate. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given pursuant to the Book Entry System to each Holder as listed in the Warrant Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been given as aforesaid payment of such Defaulted Interest shall be made through the Book Entry System.

(8) Subject to the foregoing provisions of this Section, each Warrant delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Warrant shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Warrant and each such Warrant shall bear interest from such date so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(c) The Trustee shall discontinue the Book Entry System at the request of the Issuer. The Trustee may terminate the Book Entry System without direction from, or consent of, the Issuer if the Trustee determines in good faith that termination is in the best interest of the Holders. Notice of termination of the Book Entry System shall be given to Holders not less than 20 days before such termination is effective.

(d) If the Book Entry System is discontinued, (i) a physical certificate or physical certificates shall be executed, authenticated and delivered to each beneficial owner, or entitlement holder, under the Book Entry System in accordance with such holder's ownership of Warrants, (ii) such certificates shall be registered in the Warrant Register maintained by the Trustee, and (iii) the remaining provisions of this Article shall govern the registration, transfer, exchange and payment of Warrants.

SECTION 4.2 Alternate Provisions Regarding Payment, Registration, Transfer and Exchange of Warrants

(a) If the Book Entry System is discontinued, the provisions of this Section shall control the registration, transfer, exchange and payment of Warrants.

(b) Payment of Debt Service on the Warrants shall be made as follows:

(1) Payment of interest on the Warrants which is due on any Interest Payment Date shall be made by check or draft mailed by the Trustee to the persons entitled thereto at their addresses appearing in the Warrant Register. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date).

(2) Payment of the principal of (and premium, if any, on) the Warrants and payment of accrued or accreted interest on the Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender thereof at the Office of the Trustee.

(3) Upon the written request of any Holder, the Trustee shall make payments of Debt Service by wire transfer, provided that (i) such request contains adequate instructions for the method of payment, and (ii) payment of the principal of (and redemption premium, if any, on) such Warrants and payment of the accrued interest on such Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of such Warrants to the Trustee.

(c) Subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Warrants and registration of transfers of Warrants entitled to be registered or transferred as herein provided in the Warrant Register.

(d) Upon surrender for transfer of any Warrant at the Office of the Trustee, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Warrants of the same Tenor, of any Authorized Denominations and of a like aggregate principal amount.

(e) At the option of the Holder, Warrants may be exchanged for other Warrants of the same Tenor, of any Authorized Denominations and of a like aggregate principal amount, upon surrender of the Warrants to be exchanged at the Office of the Trustee. Whenever any Warrants are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Warrants which the Holder making the exchange is entitled to receive.

(f) Subject to **Section 7.9**, all Warrants surrendered for payment or redemption (after the payment or redemption thereof) or for transfer or exchange, shall be promptly cancelled by the Trustee. The Trustee may destroy cancelled certificates. No Warrant shall be authenticated in lieu of or in exchange for any Warrant cancelled as provided in this Section, except as expressly provided by this Indenture.

(g) All Warrants issued upon any transfer or exchange of Warrants shall be the valid obligations of the Issuer and entitled to the same security and benefits under this Indenture as the Warrants surrendered upon such transfer or exchange.

(h) Every Warrant presented or surrendered for transfer or exchange shall contain, or be accompanied by, all necessary endorsements for transfer.

(i) No service charge shall be made for any transfer or exchange of Warrants, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Warrants.

(j) The Issuer shall not be required (i) to transfer or exchange any Warrant during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Warrants and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Warrant so selected for redemption in whole or in part.

(k) Interest on any Warrant which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Warrant is registered at the close of business on the Regular Record Date for such Interest Payment Date.

(l) Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose names such Warrants are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee of the amount of Defaulted Interest proposed to be paid on each Warrant and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided and not to be deemed part of the Trust Estate. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at his address as it appears in the Warrant Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Warrants are registered on such Special Record Date.

(m) Subject to the foregoing provisions of this Section, each Warrant delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Warrant shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Warrant and each such Warrant shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(n) In the event any Warrant is mutilated, lost, stolen or destroyed, the Issuer may execute, and the Trustee shall thereupon authenticate and deliver, a replacement Warrant of like Tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Warrant, such Warrant is first surrendered to the Trustee, and (b) in the case of any such lost, stolen or destroyed Warrant, there is first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to each of them. The Issuer may charge the Holder with the expense of issuing any such replacement Warrant.

SECTION 4.3 Persons Deemed Owners

The Holder of a Warrant shall be treated as the owner of such Secured Obligation for purposes of this Indenture.

SECTION 4.4 Trustee as Paying Agent and Registrar

Debt Service on the Warrants shall be payable on behalf of the Issuer by the Trustee, which is hereby designated as the paying agent of the Issuer for purposes of this Indenture. The Trustee is hereby appointed as agent of the Issuer solely for the purpose of registering Warrants and transfers of Warrants as provided in this Indenture.

SECTION 4.5 Payments Due on Non-Business Days

Except as otherwise expressly provided by this Indenture, if any payment on the Warrants is due on a day which is not a Business Day, such payment may be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

ARTICLE 5

Specific Terms for Warrants and Disposition of Proceeds

SECTION 5.1 Specific Title and Terms of Series 2013-A Warrants

(a) **Title, Amount and Lien Status.** The first series of Warrants issued hereunder shall be issued as Current Interest Obligations and shall be entitled "Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A". The Series 2013-A Warrants shall be issued in the aggregate principal amount of [\$375,000,000]. The Series 2013-A Warrants shall be issued as Senior Lien Obligations.

(b) **Authorized Denominations.** The Series 2013-A Warrants shall be in Authorized Denominations.

(c) **Form and Number.** The Series 2013-A Warrants shall be issuable as registered warrants without coupons. The Series 2013-A Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single Series 2013-A Warrant certificate for all Series 2013-A Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-A Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.1(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Maturity Dates and Interest Rates.** The Series 2013-A Warrants shall be issued with fixed interest rates and shall mature on October 1 in the years and principal amounts as follows:

| Year of Maturity (October 1) | Principal Amount Maturing | Initial CUSIP Number | Applicable Interest Rate |
|-------------------------------------|----------------------------------|-----------------------------|---------------------------------|
| [2053] | [\$375,000,000] | | |

(e) **Date.** The Series 2013-A Warrants shall be dated as of the date of initial delivery of the Warrants.

(f) **Interest Payment Dates.** Interest on the Series 2013-A Warrants shall be payable in arrears on (i) [April 1] and [October 1] in each year, beginning on [April 1, 2014], and (ii) the Maturity Date.

(g) **Person to Whom Interest Payable.** If the Book Entry System is in effect, the Trustee shall pay interest to DTC, and interest payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date for the Series 2013-A Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Interest Payment Date.

(h) **Computation of Interest Accrual.** The Series 2013-A Warrants shall bear interest from their date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in this Section. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(i) **Interest on Overdue Payments.** Interest shall be payable on overdue principal of the Series 2013-A Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-A Warrants at the Post-Default Rate.

(j) **Execution and Authentication.** Physical certificates evidencing the Series 2013-A Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk and shall be registered as claims against the County (payable solely from the sources specified herein) by the Treasurer of the Issuer. The signature of either of these officers on the Series 2013-A Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-A Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-A Warrants. No Series 2013-A Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Series 2013-A Warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-A Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-A Warrant has been duly authenticated and delivered hereunder.

(k) **Currency for Payment.** Payment of Debt Service on the Series 2013-A Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.2 Specific Title and Terms of Series 2013-B Warrants

(a) **Title, Amount and Lien Status.** The second series of warrants issued hereunder shall be issued as Capital Appreciation Obligations and shall be entitled "Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B". The maximum Accreted Value of the Series 2013-B Warrants which may be Outstanding is limited to [\$55,693,095.85]. The Series 2013-B Warrants shall be issued as Senior Lien Obligations.

(b) **Initial Principal Amount.** The Initial Principal Amount of the Series 2013-B Warrants shall be [\$55,693,095.85].

(c) **Form and Number; Authorized Denominations.** The Series 2013-B Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2013-B Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single physical certificate for

all Series 2013-B Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-B Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.2(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Date.** The Series 2013-B Warrants shall be dated as of the date of initial delivery of the Warrants. The Compounding Dates applicable to the Series 2013-B Warrants shall be [April 1] and [October 1] of each year, commencing [April 1, 2014].

(e) **Accretion of Interest.** The Series 2013-B Warrants are payable only at maturity or upon optional redemption and will not pay interest on a current basis. The Series 2013-B Warrants shall accrete from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Maturity Date or earlier redemption at the effective per annum rate required to produce the yield to maturity indicated below:

| Year of Maturity (October 1) | Initial Principal Amount | Yield to Maturity | [Accreted Value of \$5,000 at Maturity] | Initial CUSIP Number |
|------------------------------|--------------------------|-------------------|---|----------------------|
| [2025] | [\$2,373,171.00] | | | |
| [2026] | [4,504,512.00] | | | |
| [2027] | [6,383,478.25] | | | |
| [2028] | [8,025,286.50] | | | |
| [2029] | [5,967,770.40] | | | |
| [2030] | [5,492,284.80] | | | |
| [2031] | [5,106,866.75] | | | |
| [2032] | [4,746,655.20] | | | |
| [2033] | [4,406,402.40] | | | |
| [2034] | [4,085,139.75] | | | |
| [2035] | [3,786,196.80] | | | |
| [2036] | [815,332.00] | | | |

Calculation of accretion on the Series 2013-B Warrants shall be performed on the basis of a 360-day year with 12 months of 30 days each. [A schedule of compound accreted values at six month intervals for each maturity of the Series 2013-B Warrants from issuance to the applicable Maturity Date is set forth in *Exhibit 5.2(e)*.] Accretion between such dates shall be determined using linear interpolation.

(f) **Person to Whom Accreted Value Payable.** If the Book Entry System is in effect, the Trustee shall pay the Accreted Value on the Series 2013-B Warrants due on the Maturity Date or earlier redemption to DTC, and the Accreted Value of the Series 2013-B Warrants shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the Accreted Value due on the Maturity Date or earlier redemption for the Series 2013-B Warrants shall be payable to the Holders of such Series 2013-B Warrants on the date of payment of the Series 2013-B Warrants.

(g) **Interest on Overdue Payments.** Interest shall be payable on overdue Accreted Value of the Series 2013-B Warrants at the Post-Default Rate.

(h) **Execution and Authentication.** Physical certificates evidencing the Series 2013-B Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk and shall be registered as claims against the County (payable solely from the sources specified herein) by the Treasurer of the Issuer. The signature of either of these officers on the Series 2013-B Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-B Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-B Warrants. No Series 2013-B Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or

obligatory for any purpose, unless there appears on such warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-B Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-B Warrant has been duly authenticated and delivered hereunder.

(i) **Currency for Payment.** Payment of Debt Service on the Series 2013-B Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.3 Specific Title and Terms of Series 2013-C Warrants

(a) **Title, Amount and Lien Status.** The third series of warrants issued hereunder shall be issued as Convertible Capital Appreciation Obligations and shall be entitled “Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C”. The aggregate principal amount of the Series 2013-C Warrants which may be Outstanding is limited to [\$69,308,272.15]. The Series 2013-C Warrants shall be issued as Senior Lien Obligations.

(b) **Initial Principal Amount.** The Initial Principal Amount of the Series 2013-C Warrants shall be [\$69,308,272.15].

(c) **Form and Number; Authorized Denominations.** The Series 2013-C Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2013-C Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single physical certificate for all Series 2013-C Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-C Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.3(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Dates.** The Series 2013-C Warrants shall be dated as of the date of initial delivery of the Warrants. The Compounding Dates applicable to the Series 2013-C Warrants shall be [April 1] and [October 1] of each year, commencing [April 1, 2014]. The Current Interest Commencement Date applicable to the Series 2013-C Warrants shall be _____, 2023.

(e) **Accretion of Interest.** Prior to the Current Interest Commencement Date, the Series 2013-C Warrants will not pay interest on a current basis. The Series 2013-C Warrants shall accrete from and including the date of initial delivery, compounded semiannually on each Compounding Date, until, but not including, the Current Interest Commencement Date at the effective per annum rate required to produce the yield and Accreted Value indicated below:

| Year of Maturity (October 1) | Initial Principal Amount | Yield to Current Interest Commencement Date | Accreted Value on Current Interest Commencement Date | Initial CUSIP Number |
|------------------------------|--------------------------|---|--|----------------------|
| [2036] | [\$ 6,576,817.50] | | | |
| [2037] | [8,933,796.60] | | | |
| [2038] | [9,498,240.00] | | | |
| [2039] | [10,099,559.55] | | | |
| [2040] | [10,722,227.45] | | | |
| [2041] | [11,383,035.20] | | | |
| [2042] | [12,094,595.85] | | | |

Calculation of accretion on the Series 2013-C Warrants shall be performed on the basis of a 360-day year consisting of 12 consecutive 30-day months. [A schedule of compound accreted values at six month intervals for each maturity of the Series 2013-C Warrants from issuance to the Current Interest Commencement Date is set forth in *Exhibit 5.3(e)*.] Accretion between such dates shall be determined using linear interpolation.

(f) **Conversion from Accretion to Current Interest Rate Accrual.** On the Current Interest Commencement Date, the Accreted Value of the Series 2013-C Warrants shall be fixed as the principal amount of such Warrants, and the Series 2013-C Warrants shall not accrete in value from such date. On and after the Current Interest Commencement Date, principal of and interest on the Series 2013-C Warrants shall be paid currently in accordance with the schedule contained in *Section 5.3(g)* on the dates specified in *Section 5.3(h)*.

(g) **Maturity Dates and Interest Rates.** From the Current Interest Commencement Date, the Series 2013-C Warrants shall bear interest at fixed interest rates and shall mature on October 1 in the years and amounts and bear interest at the rates per annum as follows:

| Year of Maturity (October 1) | Principal Amount Maturing | Initial CUSIP Number | Applicable Interest Rate |
|---|--|-------------------------------------|-------------------------------------|
|---|--|-------------------------------------|-------------------------------------|

(h) **Interest Payment Dates.** From the Current Interest Commencement Date, interest on the Series 2013-C Warrants shall be payable in arrears on (i) [April 1] and [October 1] in each year, beginning on [April 1, 2014], and (ii) the Maturity Date.

(i) **Person to Whom Interest Payable.** From and after the Current Interest Commencement Date, if the Book Entry System is in effect, the Trustee shall pay interest to DTC, and interest payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date for the Series 2013-C Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Interest Payment Date.

(j) **Computation of Interest Accrual.** On and after the Current Interest Commencement Date, the Series 2013-C Warrants shall bear interest from the Current Interest Commencement Date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in *Section 5.3(g)* above. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(k) **Interest on Overdue Payments.** Prior to the Current Interest Commencement Date, interest shall be payable on overdue Accreted Value of the Series 2013-C Warrants at the Post-Default Rate. From and after the Current Interest Commencement Date, interest shall be payable on overdue principal of the Series 2013-C Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-C Warrants at the Post-Default Rate.

(l) **Execution and Authentication.** Physical certificates evidencing the Series 2013-C Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk and shall be registered as claims against the County (payable solely from the sources specified herein) by the Treasurer of the Issuer. The signature of any of these officers on the

Series 2013-C Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-C Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-C Warrants. No Series 2013-C Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-C Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-C Warrant has been duly authenticated and delivered hereunder.

(m) **Currency for Payment.** Payment of Debt Service on the Series 2013-C Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.4 Specific Title and Terms of Series 2013-D Warrants

(a) **Title, Amount and Lien Status.** The fourth series of Warrants issued hereunder shall be issued as Current Interest Obligations and shall be entitled “Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D”. The Series 2013-D Warrants shall be issued in the aggregate principal amount of [\$750,155,000]. The Series 2013-D Warrants shall be issued as Subordinate Lien Obligations.

(b) **Authorized Denominations.** The Series 2013-D Warrants shall be in Authorized Denominations.

(c) **Form and Number.** The Series 2013-D Warrants shall be issuable as registered warrants without coupons. The Series 2013-D Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single Series 2013-D Warrant certificate for all Series 2013-D Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-D Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.4(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Maturity Dates and Interest Rates.** The Series 2013-D Warrants shall be issued with fixed interest rates and shall mature on October 1 in the years and principal amounts as follows:

| Year of Maturity (October 1) | Principal Amount Maturing | Initial CUSIP Number | Applicable Interest Rate |
|-------------------------------------|----------------------------------|-----------------------------|---------------------------------|
| [2015] | [\$ 2,215,000] | | |
| [2016] | [7,265,000] | | |
| [2017] | [12,920,000] | | |
| [2018] | [13,290,000] | | |
| [2023] | [34,530,000] | | |
| [2042] | [29,930,000] | | |
| [2051] | [283,920,000] | | |
| [2053] | [366,085,000] | | |

(e) **Date.** The Series 2013-D Warrants shall be dated as of the date of initial delivery of the Warrants.

(f) **Interest Payment Dates.** Interest on the Series 2013-D Warrants shall be payable in arrears on (i) [April 1] and [October 1] in each year, beginning on [April 1, 2014], and (ii) the Maturity Date.

(g) **Person to Whom Interest Payable.** If the Book Entry System is in effect, the Trustee shall pay interest to DTC, and interest payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date for the Series 2013-D Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Interest Payment Date.

(h) **Computation of Interest Accrual.** The Series 2013-D Warrants shall bear interest from their date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in this Section. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(i) **Interest on Overdue Payments.** Interest shall be payable on overdue principal on the Series 2013-D Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-D Warrants at the Post-Default Rate.

(j) **Execution and Authentication.** Physical certificates evidencing the Series 2013-D Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk and shall be registered as claims against the County (payable solely from the sources specified herein) by the Treasurer of the Issuer. The signature of either of these officers on the Series 2013-D Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-D Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-D Warrants. No Series 2013-D Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Series 2013-D Warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-D Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-D Warrant has been duly authenticated and delivered hereunder.

(k) **Currency for Payment.** Payment of Debt Service on the Series 2013-D Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.5 Specific Title and Terms of Series 2013-E Warrants

(a) **Title, Amount and Lien Status.** The fifth series of warrants issued hereunder shall be issued as Capital Appreciation Obligations and shall be entitled "Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E". The maximum Accreted Value of the Series 2013-E Warrants which may be Outstanding is limited to [\$71,935,073.95]. The Series 2013-E Warrants shall be issued as Subordinate Lien Obligations.

(b) **Initial Principal Amount.** The Initial Principal Amount of the Series 2013-E Warrants shall be [\$71,935,073.95].

(c) **Form and Number; Authorized Denominations.** The Series 2013-E Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2013-E Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single physical certificate for all Series 2013-E Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-E Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.5(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Date.** The Series 2013-E Warrants shall be dated as of the date of initial delivery of the Warrants. The Compounding Dates applicable to the Series 2013-E Warrants shall be [April 1] and [October 1] of each year, commencing [April 1, 2014].

(e) **Accretion of Interest.** The Series 2013-E Warrants are payable only at maturity or upon optional redemption and will not pay interest on a current basis. The Series 2013-E Warrants shall accrete from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Maturity Date or earlier redemption at the effective per annum rate required to produce the yield to maturity indicated below:

| Year of Maturity (October 1) | Initial Principal Amount | Yield to Maturity | [Accreted Value of \$5,000 at Maturity] | Initial CUSIP Number |
|-------------------------------------|---------------------------------|--------------------------|--|-----------------------------|
| [2029] | [\$ 3,122,842.40] | | | |
| [2030] | [4,637,803.50] | | | |
| [2031] | [5,963,928.00] | | | |
| [2032] | [7,109,403.40] | | | |
| [2033] | [8,087,574.95] | | | |
| [2034] | [8,913,450.00] | | | |
| [2035] | [9,597,644.25] | | | |
| [2036] | [10,161,186.75] | | | |
| [2037] | [10,604,189.70] | | | |
| [2038] | [3,737,051.00] | | | |

Calculation of accretion on the Series 2013-E Warrants shall be performed on the basis of a 360-day year with 12 months of 30 days each. [A schedule of compound accreted values at six month intervals for each maturity of the Series 2013-E Warrants from issuance to the applicable Maturity Date is set forth in *Exhibit 5.5(e)*.] Accretion between such dates shall be determined using linear interpolation.

(f) **Person to Whom Accreted Value Payable.** If the Book Entry System is in effect, the Trustee shall pay the Accreted Value on the Series 2013-E Warrants due on the Maturity Date or earlier redemption to DTC, and the Accreted Value of the Series 2013-E Warrants shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the Accreted Value due on the Maturity Date or earlier redemption for the Series 2013-E Warrants shall be payable to the Holders of such Series 2013-E Warrants on the date of payment of the Series 2013-E Warrants.

(g) **Interest on Overdue Payments.** Interest shall be payable on overdue Accreted Value of the Series 2013-E Warrants at the Post-Default Rate.

(h) **Execution and Authentication.** Physical certificates evidencing the Series 2013-E Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk and shall be registered as claims against the County (payable solely from the sources specified herein) by the Treasurer of the Issuer. The signature of either of these officers on the Series 2013-E Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-E Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-E Warrants. No Series 2013-E Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-E Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-E Warrant has been duly authenticated and delivered hereunder.

(i) **Currency for Payment.** Payment of Debt Service on the Series 2013-E Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.6 Specific Title and Terms of Series 2013-F Warrants

(a) **Title, Amount and Lien Status.** The sixth series of warrants issued hereunder shall be issued as Convertible Capital Appreciation Obligations and shall be entitled "Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F". The aggregate principal amount of the Series 2013-F Warrants which may be Outstanding is limited to [\$416,317,273]. The Series 2013-F Warrants shall be issued as Subordinate Lien Obligations.

(b) **Initial Principal Amount.** The Initial Principal Amount of the Series 2013-F Warrants shall be [\$416,317,273].

(c) **Form and Number; Authorized Denominations.** The Series 2013-F Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2013-F Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single physical certificate for all Series 2013-F Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-F Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.6(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Dates.** The Series 2013-F Warrants shall be dated as of the date of initial delivery of the Warrants. The Compounding Dates applicable to the Series 2013-F Warrants shall be [April 1] and [October 1] of each year, commencing [April 1, 2014]. The Current Interest Commencement Date applicable to the Series 2013-F Warrants shall be _____, 2023.

(e) **Accretion of Interest.** Prior to the Current Interest Commencement Date, the Series 2013-F Warrants will not pay interest on a current basis. The Series 2013-F Warrants shall accrete from and including the date of initial delivery, compounded semiannually on each Compounding Date, until, but not including, the Current Interest Commencement Date at the effective per annum rate required to produce the yield and Accreted Value indicated below:

| Year of Maturity (October 1) | Initial Principal Amount | Yield to Current Interest Commencement Date | Accreted Value on Current Interest Commencement Date | Initial CUSIP Number |
|------------------------------|--------------------------|---|--|----------------------|
| [2038] | [\$21,968,946.80] | | | |
| [2039] | [38,709,204.70] | | | |
| [2040] | [45,205,079.40] | | | |
| [2041] | [45,001,195.20] | | | |
| [2042] | [2,187,010.80] | | | |
| [2043] | [21,081,489.00] | | | |
| [2044] | [25,853,080.10] | | | |
| [2045] | [30,715,465.00] | | | |
| [2046] | [36,419,071.90] | | | |
| [2047] | [42,204,805.50] | | | |
| [2048] | [49,048,179.50] | | | |
| [2049] | [55,903,397.50] | | | |
| [2050] | [2,020,347.60] | | | |

Calculation of accretion on the Series 2013-F Warrants shall be performed on the basis of a 360-day year consisting of 12 consecutive 30-day months. [A schedule of compound accreted values at six month intervals for each maturity of the Series 2013-F Warrants from issuance to the Current Interest Commencement Date is set forth in *Exhibit 5.6(e)*.] Accretion between such dates shall be determined using linear interpolation.

(f) **Conversion from Accretion to Current Interest Rate Accrual.** On the Current Interest Commencement Date, the Accreted Value of the Series 2013-F Warrants shall be fixed as the principal amount of such Warrants, and the Series 2013-F Warrants shall not accrete in value from such date. On and after the Current Interest Commencement Date, principal of and interest on the Series 2013-F Warrants shall be paid currently in accordance with the schedule contained in *Section 5.6(g)* on the dates specified in *Section 5.6(h)*.

(g) **Maturity Dates and Interest Rates.** From the Current Interest Commencement Date, the Series 2013-F Warrants shall bear interest at fixed interest rates and shall mature on [_____ 1] in the years and amounts and bear interest at the rates per annum as follows:

| Year of Maturity (_____ 1) | Principal Amount Maturing | Initial CUSIP Number | Applicable Interest Rate |
|----------------------------------|---------------------------------|----------------------------|-----------------------------|
|----------------------------------|---------------------------------|----------------------------|-----------------------------|

(h) **Interest Payment Dates.** From the Current Interest Commencement Date, interest on the Series 2013-F Warrants shall be payable in arrears on (i) [April 1] and [October 1] in each year, beginning on [April 1, 2014], and (ii) the Maturity Date.

(i) **Person to Whom Interest Payable.** From and after the Current Interest Commencement Date, if the Book Entry System is in effect, the Trustee shall pay interest to DTC, and interest payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date for the Series 2013-F Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Interest Payment Date.

(j) **Computation of Interest Accrual.** On and after the Current Interest Commencement Date, the Series 2013-F Warrants shall bear interest from the Current Interest Commencement Date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in *Section 5.6(g)* above. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(k) **Interest on Overdue Payments.** Prior to the Current Interest Commencement Date, interest shall be payable on overdue Accreted Value of the Series 2013-F Warrants at the Post-Default Rate. From and after the Current Interest Commencement Date, interest shall be payable on overdue principal of the Series 2013-F Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-F Warrants at the Post-Default Rate.

(l) **Execution and Authentication.** Physical certificates evidencing the Series 2013-F Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk and shall be registered as claims against the County (payable solely from the sources specified herein) by the Treasurer of the Issuer. The signature of any of these officers on the Series 2013-F Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-F Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-F Warrants. No Series 2013-F Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-F Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-F Warrant has been duly authenticated and delivered hereunder.

(m) **Currency for Payment.** Payment of Debt Service on the Series 2013-F Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.7 Proceeds From Sale of Warrants

(a) The proceeds from the sale of the Warrants to the original purchaser or purchasers thereof shall be deposited initially into the Series 2013 Clearing Account and shall then be applied as follows:

(1) *First*, the amounts to be used under the Confirmed Plan of Adjustment for the retirement or payment of past due debt service on the Retired Warrants shall be paid to the Retired Warrants Trustee.

(2) *Second*, the amount necessary to pay the Series 2013 Insurer its premium for issuance of the Series 2013 Insurance Policy shall be paid to the Series 2013 Insurer.

(3) *Third*, the remaining proceeds of the Warrants shall be deposited in the Costs of Issuance Fund.

(b) The amount of proceeds from each series of Warrants to be applied to each purpose identified in this Section shall be specified by directions from an Authorized Issuer Representative delivered to the Trustee on the date of issuance of the Warrants.

(c) Funds received from the Retired Warrants Trustee pursuant to the Confirmed Plan of Adjustment shall be deposited initially into the Series 2013 Clearing Account and shall then be applied as specified by directions from an Authorized Issuer Representative delivered to the Trustee on the date of issuance of the Warrants.

(d) Proceeds from the sale of the Warrants deposited in the Series 2013 Clearing Account shall be subject to the lien of this Indenture pursuant to *Section 3.1(a)(3)*.

ARTICLE 6

Repurchases and Tenders

SECTION 6.1 No Optional Tender Rights for Holders

The Holders of the Warrants will not have the right or the obligation to tender Warrants for purchase by the Issuer.

SECTION 6.2 Purchase or Tender for Cancellation

(a) The Issuer may, at its sole option, purchase any Secured Obligations made available to it by whatever means, or solicit or make tender offer(s) for the purchase of any Secured Obligations, whether directly or through securities dealers. The Issuer may exercise this option with respect to all or less than all of a particular series or maturity of Secured Obligations and whether or not Secured Obligations which the Issuer may seek to acquire are subject to optional redemption. Any Secured Obligations so purchased may be delivered by the Issuer to the Trustee for cancellation, and upon such delivery and cancellation, shall no longer be Outstanding. The Issuer may exercise the option granted in this section through whatever means are legally available to the Issuer.

(b) Notwithstanding any provision of *Section 6.2(a)*, so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, (1) the provisions of this Section shall be subject in all respects to *Section 15.5*, and (2) any Insured Series 2013 Warrants so purchased by the Issuer shall be delivered to the Trustee for cancellation.

ARTICLE 7

Redemption of Warrants

SECTION 7.1 Redemption Provisions

The Warrants shall be subject to redemption prior to maturity as follows:

(a) **Optional Redemption of Series 2013-A Warrants.** Any Series 2013-A Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to [_____] ([_____]%) of the principal amount of such Warrant redeemed) plus accrued interest thereon to the date of redemption.

(b) **Scheduled Mandatory Redemption of Series 2013-A Term Warrants.** The Series 2013-A Warrants maturing in [_____] and [_____] (collectively, the “Series 2013-A Term Warrants”) shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on the dates and in the principal amounts (after credit as provided below) as follows:

Series 2013-A Term Warrants Maturing in [Year 1]

| Redemption Date (_____ 1) | Principal Amount to be Redeemed |
|--|--|
|--|--|

(maturity)

Series 2013-A Term Warrants Maturing in [Year 2]

| Redemption Date (_____ 1) | Principal Amount to be Redeemed |
|--|--|
|--|--|

(maturity)

Not later than the date on which notice of scheduled mandatory redemption is to be given, the Trustee shall select affected Series 2013-A Term Warrants for redemption by lot; provided, however, that the Issuer may, at its discretion by timely notice delivered to the Trustee, direct that any or all of the following amounts be credited against the principal amount of Series 2013-A Term Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-A Term Warrants of such Tenor delivered by the Issuer to the Trustee for cancellation and not previously claimed as a credit; (ii) the principal amount of Series 2013-A Term Warrants of such Tenor previously redeemed (other than Series 2013-A Term Warrants of such Tenor redeemed pursuant to the scheduled mandatory redemption requirement) and not previously claimed as a credit; and (iii) the principal amount of Series 2013-A Term Warrants of such Tenor otherwise Defeased and not previously claimed as a credit.

(c) **Optional Redemption of Series 2013-B Warrants.** Any Series 2013-B Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to [____]% of the Accreted Value of such Series 2013-B Warrant as of the date of redemption.

(d) **Optional Redemption of Series 2013-C Warrants.** Any Series 2013-C Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to [_____] ([_____]%) of the principal amount of such Warrant redeemed) plus accrued interest thereon to the date of redemption.

(e) **Optional Redemption of Series 2013-D Warrants.** Any Series 2013-D Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any

Business Day on or after [December 1, 2023] at a redemption price equal to [_____] ([_____]%) of the principal amount of such Warrant redeemed) plus accrued interest thereon to the date of redemption.

(f) **Scheduled Mandatory Redemption of Series 2013-D Term Warrants.** The Series 2013-D Warrants maturing in [_____] and [_____] (collectively, the “Series 2013-D Term Warrants”) shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on the dates and in the principal amounts (after credit as provided below) as follows:

Series 2013-D Term Warrants Maturing in [Year 1]

| Redemption Date (_____ 1) | Principal Amount to be Redeemed |
|--|--|
|--|--|

(maturity)

Series 2013-D Term Warrants Maturing in [Year 2]

| Redemption Date (_____ 1) | Principal Amount to be Redeemed |
|--|--|
|--|--|

(maturity)

Not later than the date on which notice of scheduled mandatory redemption is to be given, the Trustee shall select affected Series 2013-D Term Warrants for redemption by lot; provided, however, that the Issuer may, at its discretion by timely notice delivered to the Trustee, direct that any or all of the following amounts be credited against the principal amount of Series 2013-D Term Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-D Term Warrants of such Tenor delivered by the Issuer to the Trustee for cancellation and not previously claimed as a credit; (ii) the principal amount of Series 2013-D Term Warrants of such Tenor previously redeemed (other than Series 2013-D Term Warrants of such Tenor redeemed pursuant to the scheduled mandatory redemption requirement) and not previously claimed as a credit; and (iii) the principal amount of Series 2013-D Term Warrants of such Tenor otherwise Defeased and not previously claimed as a credit.

(g) **Optional Redemption of Series 2013-E Warrants.** Any Series 2013-E Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to [_____] % of the Accreted Value of such Series 2013-E Warrant as of the date of redemption.

(h) **Optional Redemption of Series 2013-F Warrants.** Any Series 2013-F Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to [_____] ([_____]%) of the principal amount of such Warrant redeemed) plus accrued interest thereon to the date of redemption.

(i) **Limitation on Optional Redemption of Warrants.** Notwithstanding any provision of this Section, so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, the provisions of *Sections 7.1(a), (c), (d), (e), (g) and (h)* shall be subject in all respects to *Section 15.5*.

SECTION 7.2 Mandatory Redemption

Warrants shall be redeemed in accordance with the applicable mandatory redemption provisions without any direction from or consent by the Issuer. Unless the date fixed for such mandatory redemption is otherwise specified by this Indenture, the Trustee shall select the date for mandatory redemption, subject to the provisions of this Indenture with respect to the permitted period for such redemption.

SECTION 7.3 Election to Redeem

The election of the Issuer to exercise any right of optional redemption of the Warrants shall be authorized by resolution of the Commission and shall be evidenced by notice from an Authorized Issuer Representative to the Trustee at least three Business Days prior to the date when notice of the redemption must be given to Holders (unless a shorter notice is acceptable to the Trustee). An election to redeem shall specify (i) the principal amount or Accreted Value of Warrants to be redeemed (if less than all Warrants Outstanding are to be redeemed pursuant to such option), (ii) the Tenor of Warrants to be redeemed, (iii) the redemption date, and (iv) any conditions to such redemption specified in accordance with the provisions of *Section 7.5(d)*.

SECTION 7.4 Selection by Trustee of Warrants to be Redeemed

(a) Except as otherwise provided in the specific redemption provisions for the Warrants, if less than all Warrants Outstanding are to be redeemed, the principal amount or Accreted Value of Warrants of each Tenor to be redeemed may be specified by the Issuer by notice delivered to the Trustee not less than three Business Days prior to the date when the Trustee must give notice of the redemption to Holders (unless a shorter notice is acceptable to the Trustee), or, in the absence of timely receipt by the Trustee of such notice, shall be determined in accordance with the Book Entry System or, if the Book Entry System is no longer in effect, by lot or by such other method as the Trustee shall deem fair and appropriate; provided, however, that the principal amount or Accreted Value of Warrants of each Tenor to be redeemed may not be larger than the principal amount or Accreted Value of Warrants of such Tenor then eligible for redemption and may not be smaller than the smallest Authorized Denomination.

(b) Except as otherwise provided in the specific redemption provisions for the Warrants, if less than all Warrants with the same Tenor are to be redeemed, the particular Warrants of such Tenor to be redeemed shall be selected from the Outstanding Warrants of such Tenor then eligible for redemption in accordance with the Book Entry System or, if the Book Entry System is no longer in effect, by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal or Accreted Value of Warrants of such Tenor of a denomination larger than the smallest Authorized Denomination.

(c) The Trustee shall promptly notify the Issuer of the Warrants selected for redemption and, in the case of any Warrant selected for partial redemption, the principal amount or Accreted Value thereof to be redeemed.

(d) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Warrants shall relate, in the case of any Warrant redeemed or to be redeemed only in part, to the portion of the principal or Accreted Value of such Warrant which has been or is to be redeemed.

SECTION 7.5 Notice of Redemption

(a) Notice of redemption shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of DTC. If the Book Entry System is not in effect, notice of redemption shall be given to Holders by certified mail.

- (b) All notices of redemption shall state:
- (1) the redemption date,
 - (2) the redemption price,
 - (3) the principal amount or Accreted Value of Warrants to be redeemed, and, if less than all Outstanding Warrants are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts or Accreted Values) of the Warrants to be redeemed,
 - (4) that on the redemption date the redemption price of each of the Warrants to be redeemed will become due and payable and that the interest thereon shall cease to accrue or accrete from and after said date, and
 - (5) any conditions to such redemption specified in accordance with the provisions of *Section 7.5(d)*.

(c) Notice of optional redemption shall be given by the Trustee on behalf of the Issuer unless the Issuer elects to give such notice itself. If the Issuer gives notice of optional redemption, it shall deliver a copy of such notice to the Trustee on the following Business Day. Notice of redemption of Warrants in accordance with the scheduled mandatory redemption provisions of the Warrants shall be given by the Trustee on behalf of the Issuer without any notice to, or consent of, the Issuer.

(d) A notice of optional redemption may state that the redemption of Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Warrants (or portions thereof) identified in such notice, and any Warrants surrendered on the specified redemption date shall be returned to the Holders of such Warrants.

SECTION 7.6 Deposit of Redemption Price

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

SECTION 7.7 Warrants Payable on Redemption Date

If notice of redemption is given and any conditions to such redemption specified pursuant to *Section 7.5(d)* are met, the Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Warrants shall cease to bear interest.

SECTION 7.8 Warrants Redeemed in Part

(a) If the Book Entry System is in effect, partial redemption of any Warrant shall be effected in accordance with the Book Entry System.

(b) If the Book Entry System has been terminated, any Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Warrant, without service charge, a new Warrant or Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount or Accreted Value equal to and in exchange for the unredeemed portion of the principal or Accreted Value of the Warrant surrendered.

SECTION 7.9 Purchase of Callable Warrants in Lieu of Redemption

(a) The Issuer shall have the option to purchase Callable Warrants in lieu of optional redemption either directly or through a nominee designated by the Issuer. If a Callable Warrant has been called for optional redemption, the Issuer may exercise its right of purchase by delivery to the Trustee on or prior to the Business Day preceding the optional redemption date of written notice from the Issuer specifying that the Callable Warrants shall not be redeemed, but instead shall be purchased pursuant to this Section. If the Issuer desires to effect its right of purchase through a nominee, the written notice shall specify the Issuer's nominee and that the nominee is acting on behalf of the Issuer. Upon delivery of such notice from the Issuer, the Callable Warrants shall not be redeemed, but shall instead be subject to mandatory tender on the date that would have been the optional redemption date at a purchase price equal to the redemption price that would have been payable with respect to such Callable Warrants. The Issuer's option to purchase pursuant to this Section shall be effective whether or not the notice of optional redemption sent to Warrantholders indicates that the Issuer has exercised, or intends to exercise, such option. No further or additional notice to Warrantholders shall be required in connection with the purchase in lieu of redemption. The Callable Warrants purchased pursuant to this Section (i) shall not be cancelled or retired, but shall continue to be Outstanding, (ii) shall be delivered to, or as directed by, the Issuer, (iii) shall continue to bear interest or accrete value at the rate provided for in this Indenture, and (iv) may not be resold by the Issuer or its nominee without first delivering a Favorable Tax Opinion to the Trustee.

(b) Notwithstanding any provision of this *Section 7.9*, so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, (1) the provisions of this Section shall be subject in all respects to *Section 15.5*, and (2) any Callable Warrant that is an Insured Series 2013 Warrant shall be cancelled upon purchase.

ARTICLE 8

Additional Secured Obligations

SECTION 8.1 Authorization of Additional Secured Obligations

(a) The Issuer reserves the right to issue additional debt obligations secured by the General Trust Estate if (i) no Indenture Default exists and (ii) the Issuer complies with the terms and conditions of this Article. Such additional debt obligations shall be Secured Obligations.

(b) Contemporaneously with this Indenture, the Issuer has authorized for future issuance the Reserve Fund Warrants pursuant to the First Supplemental Indenture as additional Secured Obligations. Notwithstanding any provision of this Indenture to the contrary, the Reserve Fund Warrants shall not be subject to the provisions of *Sections 8.1(a)(i), 8.1(c), 8.2(a)(2), 8.2(a)(3) and 8.2(a)(4)*.

(c) Notwithstanding any other provision of this *Article 8*, for so long as the Warrants are Outstanding, the Issuer may not issue additional Secured Obligations that are Senior Lien Obligations, unless both of the following provisions are satisfied:

(1) The additional Secured Obligations proposed to be issued as Senior Lien Obligations are issued for the purpose of refinancing existing Senior Lien Obligations; and

(2) The additional Secured Obligations proposed to be issued as Senior Lien Obligations do not provide for Debt Service Requirements in any Fiscal Year in which existing Senior Lien Obligations are Outstanding in amounts in excess of the existing Debt Service Requirements for the Senior Lien Obligations to be refinanced by the proposed additional Secured Obligations.

When the Warrants are no longer Outstanding, the provisions of this *Section 8.1(c)* shall no longer apply to the issuance of additional Secured Obligations.

SECTION 8.2 Conditions to Issuance of Additional Secured Obligations

(a) The Issuer must deliver the following documentation to the Trustee prior to the issuance of additional Secured Obligations:

(1) **Supplemental Indenture.** The Issuer must deliver to the Trustee a Supplemental Indenture authorizing the issuance of additional Secured Obligations that meets each of the following requirements:

(A) The Supplemental Indenture shall be in the form of a supplement to this Indenture, and the Trustee under this Indenture must also be the trustee under the Supplemental Indenture. The Supplemental Indenture shall require that a certificate of authentication be included on each Secured Obligation, which shall be executed by the Trustee.

(B) The Supplemental Indenture shall designate the additional Secured Obligations as Senior Lien Obligations or Subordinate Lien Obligations. Such designation shall be noted on the certificate of authentication executed by the Trustee for such Secured Obligations. No Secured Obligations may be issued with a superior priority of lien to the Senior Lien Obligations hereunder.

(C) The Supplemental Indenture must provide the pricing terms of the Secured Obligations, including the principal amount, maturities, interest rates, principal and interest payment dates, and redemption or prepayment features. The Supplemental Indenture may also contain provisions for optional or mandatory tender for purchase and other provisions that are not contrary to, or prohibited by, the terms of this Indenture. The Supplemental Indenture may adopt by reference any portion of this Indenture relating to the form of the Secured Obligations, including provisions for transfer, exchange and payment, or may provide separate terms for such provisions.

(D) *Article 11* of this Indenture shall control for all Secured Obligations.

(E) The Supplemental Indenture may provide for Credit Enhancement for the benefit of such Secured Obligations, but the rights of the provider of such Credit Enhancement shall be limited as provided in *Section 9.2* and *Section 16.5*.

(F) The Supplemental Indenture shall establish a Senior Lien Debt Service Fund for payment of Debt Service on Senior Lien Obligations authorized by such Supplemental Indenture and shall establish a Subordinate Lien Debt Service Fund for payment of Subordinate Lien Obligations authorized by such Supplemental Indenture. Deposits to any such Secured Obligation Debt Service Fund shall be subject to the terms and conditions of *Section 9.2(a)(1)* or *(3)*, as the case may be. Any such Secured Obligation Debt Service Funds shall be part of the Trust Estate that is for the sole benefit of the related Secured Obligations.

(G) The Supplemental Indenture may establish a Senior Lien Reserve Fund to secure payment of Debt Service on Senior Lien Obligations authorized by such Supplemental Indenture and may establish a Subordinate Lien Reserve Fund to secure payment of Subordinate Lien Obligations authorized by such Supplemental Indenture. The Issuer may make an initial deposit to any such Secured Obligation Reserve Funds from (i) proceeds of such Secured Obligations, (ii) money on deposit in the Capital Improvement Fund, or (iii) other funds legally available to the Issuer. The Supplemental Indenture may require monthly transfers from the Revenue Fund to such Secured Obligation Reserve Funds as necessary to accumulate, maintain or restore the required balance in such Secured Obligation Reserve Funds; provided, however, that (i) the required balance may not exceed 10% of the principal amount of such Secured Obligations (as specified in such Supplemental Indenture) and (ii) monthly deposits to accumulate, maintain or restore the required balance may not exceed 1/12 of the required balance.

(H) The Supplemental Indenture shall designate the Secured Obligation Debt Service Funds and any Secured Obligation Reserve Funds established for any such series of Secured Obligations as part of the Trust Estate that is for the sole benefit of such Secured Obligations.

(2) **Coverage Requirements.** Subject to *Section 8.1(b)*, the Issuer must demonstrate compliance with each of following three tests as provided in paragraphs (A), (B) and (C) of this *Section 8.2(a)(2)*:

(A) *Historical Compliance.* The Issuer shall deliver to the Trustee a certificate signed by an Authorized Issuer Representative and an Independent Certified Public Accountant containing (i) the actual amounts of Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service realized by the System in the most recently completed audited Fiscal Year, (ii) the actual Debt Service Requirements due and payable during such Fiscal Year on both Senior Lien Obligations and Subordinate Lien Obligations, and (iii) a calculation proving the resulting coverage ratios satisfy the Required Coverage Ratios.

(B) *Historical Pro Forma Test Assuming Issuance of Additional Secured Obligations.* The Issuer shall deliver to the Trustee a certificate signed by an Authorized Issuer Representative and an Independent Certified Public Accountant containing (i) the projected amounts of Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service realized by the System in the most recently completed audited Fiscal Year as modified by this paragraph, (ii) the projected Debt Service Requirements due and payable during such Fiscal Year on both then currently outstanding Senior Lien Obligations and Subordinate Lien Obligations and the additional Secured Obligations to be issued (as specified in this paragraph), and (iii) a calculation proving the resulting coverage ratios satisfy the Required Coverage Ratios. For purposes of the calculations required by clause (i) of this paragraph, if the Issuer adopted a revised schedule of rates and charges for System services after the beginning of the prior audited Fiscal Year (or during the then current Fiscal Year) that are in effect as of the date of calculation, the Issuer and the Independent Certified Public Accountant shall take such rates into account in computing Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service realized by the System as if such rates had actually been in effect for the entire prior audited Fiscal Year. For purposes of the calculations required by clause (ii) of this paragraph, the calculation of the Debt Service Requirements for the additional Secured Obligations to be issued shall be based upon the Debt Service Requirements for the first twelve months such additional Secured Obligations are outstanding.

(C) *Forecast Test.* The Issuer shall deliver to the Trustee a report of an Authorized Issuer Representative forecasting (i) the amounts of Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service expected to be realized by the System in the then current and each of the following four Fiscal Years, based on rates and charges for the System already adopted by the Issuer and in effect on the date of calculation, (ii) the projected Debt Service Requirements on both Senior Lien Obligations and Subordinate Lien Obligations in the then current and each of the following four Fiscal Years (taking into account the additional Secured Obligations to be issued), and (iii) the resulting coverage ratios (calculated in accordance with the Required Coverage Ratios). For purposes of the calculations required by clause (i) of this paragraph, (a) the Issuer may also take into account any increase in revenues reasonably projected by implementation of any improvements to the System financed with the proceeds of such additional Secured Obligations after such improvements are placed into service, and (b) the Issuer may also take into account any increase in rates charged for System services reasonably expected to be implemented by the Issuer during the then current or any of the following four Fiscal Years. For purposes of the calculations required by clause (ii) of this paragraph, the Issuer shall take into account Debt Service Requirements on additional Secured Obligations reasonably expected to be issued during the then current or the following four Fiscal Years as if such additional Secured Obligations (x) were issued within such time period, (y) have

amortization schedules similar to and (z) bear interest at the same rate as the additional Secured Obligations for which the calculations required by this paragraph are made.

Notwithstanding the foregoing, additional Secured Obligations may be issued or incurred to refinance Outstanding Secured Obligations without compliance with the foregoing tests if, after giving effect to the application of the proceeds of such refunding Secured Obligations, Debt Service Requirements on all Secured Obligations outstanding on the date of issuance or incurrence of such refunding Secured Obligations (but excluding the refinanced Secured Obligations) will not be increased in the then current or any future Fiscal Year in which any Secured Obligations not being refunded are Outstanding.

(3) **Opinion of Counsel.** The Issuer must deliver to the Trustee (A) a Favorable Tax Opinion with respect to the issuance of the additional Secured Obligations, and (B) an Opinion of Counsel stating in effect that the documentation delivered to the Trustee complies in form and scope with the requirements of this *Article 8*, provided, however, that the delivery of such Opinion of Counsel shall not be construed as a verification by such Counsel of financial data, expectations or estimates contained in the supporting documentation delivered to the Trustee.

(4) **Certificate of Issuer.** The Issuer must deliver to the Trustee a certificate of an Authorized Issuer Representative stating in effect that (A) no Indenture Default exists, (B) the issuance of the additional Secured Obligations will not cause or result in an Indenture Default, and (C) if the provisions of *Section 15.5* are in effect, evidence of compliance with *Section 15.5*.

(b) Upon receipt of the documentation required by *Article 8* the Trustee shall (i) execute the Supplemental Indenture and (ii) authenticate the additional Secured Obligations authorized under this Indenture.

SECTION 8.3 Effect of Issuance of Additional Secured Obligations

(a) Secured Obligations issued as Senior Lien Obligations shall be secured by the General Trust Estate on an equal, ratable and proportionate basis with the Series 2013 Senior Lien Obligations and all other Senior Lien Obligations issued under this Indenture and from time to time Outstanding. Secured Obligations issued as Subordinate Lien Obligations shall be secured by the General Trust Estate on an equal, ratable and proportionate basis with the Series 2013 Subordinate Lien Obligations and all other Subordinate Lien Obligations issued under this Indenture and from time to time Outstanding.

(b) The Secured Obligation Debt Service Funds and any Secured Obligation Reserve Funds established with respect to a related series of Secured Obligations shall be for the sole benefit of such Secured Obligations.

ARTICLE 9

Indenture Funds

SECTION 9.1 Revenue Fund

(a) There is hereby established a special trust fund which shall be designated the "Revenue Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Revenue Fund. The Revenue Fund shall be part of the General Trust Estate and shall be held by the Trustee for the benefit of the Holders of all Secured Obligations.

(b) All System Revenues shall be deposited in the Revenue Fund promptly as received by the Issuer.

(c) The Trustee shall make payments and transfers from the Revenue Fund as required by *Section 9.2*. The Issuer may make withdrawals from the Revenue Fund only to the extent permitted by *Section 9.2(a)(8)* and *(9)*.

SECTION 9.2 Application of System Revenues

(a) During each calendar month the System Revenues on deposit in the Revenue Fund shall be applied as follows, in the order of priority indicated:

(1) *Senior Lien Debt Service.* First, the Trustee shall deposit in each Senior Lien Debt Service Fund the amount required for the payment of Debt Service due on Senior Lien Obligations. The related provisions of this Indenture (including any Supplemental Indenture with respect to Senior Lien Obligations) may require such deposits on or before the due date of such Debt Service, or in the month prior to the due date of such Debt Service, or may require monthly deposits for the accumulation of funds to pay Debt Service on such Senior Lien Obligations; provided, however, that such monthly deposits may not exceed the sum of (i) the pro rata amount of interest payable on the next Interest Payment Date and (ii) if principal matures or is subject to scheduled mandatory redemption within one year from the deposit date, the pro rata amount of principal payable on the next Maturity Date or scheduled mandatory redemption date, as the case may be. Investment earnings on deposit in, or transferred to, a Senior Lien Debt Service Fund shall be credited against the required deposits. If money available in the Revenue Fund is not sufficient to make all deposits otherwise required by this paragraph (1), then deposits to each Senior Lien Debt Service Fund shall be made on a proportionate basis.

(2) *Trustee Fees, Credit Enhancement Fees and Related Fees for Senior Lien Obligations.* Second, the Trustee shall, (i) pay fees and expenses of the Trustee (including amounts payable under **Section 12.7**), (ii) at the direction of the Issuer, which may be standing instructions, pay fees and other amounts due during such month with respect to Credit Enhancement for Senior Lien Obligations, and (iii) at the direction of the Issuer, which may be standing instructions, pay fees during such month to remarketing agents or entities performing similar functions with respect to Senior Lien Obligations. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all payments required by this paragraph (2), such payments shall be made on a proportionate basis.

(3) *Subordinate Lien Debt Service.* Third, the Trustee shall deposit in each Subordinate Lien Debt Service Fund the amount required for the payment of Debt Service due on Subordinate Lien Obligations. The related provisions of this Indenture (including any Supplemental Indenture with respect to Subordinate Lien Obligations) may require such deposits on or before the due date of such Debt Service, or in the month prior to the due date of such Debt Service, or may require monthly deposits for the accumulation of funds to pay Debt Service on such Subordinate Lien Obligations; provided, however, that such monthly deposits may not exceed the sum of (i) the pro rata amount of interest payable on the next Interest Payment Date and (ii) if principal matures or is subject to scheduled mandatory redemption within one year from the deposit date, the pro rata amount of principal payable on the next Maturity Date or scheduled mandatory redemption date, as the case may be. Investment earnings on deposit in, or transferred to, a Subordinate Lien Debt Service Fund shall be credited against the required deposits. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits otherwise required by this paragraph (3), then deposits to each Subordinate Lien Debt Service Fund shall be made on a proportionate basis.

(4) *Credit Enhancement Fees and Related Fees for Subordinate Lien Obligations.* Fourth, the Trustee shall at the direction of the Issuer, which may be standing instructions, (i) pay fees and other amounts due during such month with respect to Credit Enhancement for Subordinate Lien Obligations and (ii) pay fees during such month to remarketing agents or entities performing similar functions with respect to Subordinate Lien Obligations. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all payments required by this paragraph (4), such payments shall be made on a proportionate basis.

(5) *Operating Expenses.* Fifth, the Trustee shall deposit in the Operating Account the amount required to make the balance in the Operating Account equal to the Required Operating Reserve, as specified in writing by the Issuer.

(6) *Senior Lien Reserve Funds.* Sixth, the Trustee shall deposit in each Senior Lien Reserve Fund the amount required by this Indenture or the related Supplemental Indenture to accumulate, maintain or restore the required balance in such Senior Lien Reserve Fund, subject to the terms and conditions of *Section 8.2(a)(1)(G)* and *Section 9.6(d)*. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits required by this paragraph (6), deposits to each Senior Lien Reserve Fund shall be made on a proportionate basis.

(7) *Subordinate Lien Reserve Funds.* Seventh, the Trustee shall deposit in each Subordinate Lien Reserve Fund the amount required by this Indenture or the related Supplemental Indenture to accumulate, maintain or restore the required balance in such Subordinate Lien Reserve Fund, subject to the terms and conditions of *Section 8.2(a)(1)(G)* and *Section 9.7(d)*. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits required by this paragraph (7), deposits to each Subordinate Lien Reserve Fund shall be made on a proportionate basis.

(8) *Rebate Liability.* Eighth, on or before the twenty-fifth day of each month, the Issuer may request withdrawal of amounts due for Rebate Liability as provided in *Section 9.2(b)*.

(9) *Unsecured Obligations.* Ninth, the Issuer may request withdrawal of amounts due on Unsecured Obligations as provided in *Section 9.2(b)*.

(10) *Capital Improvement Fund.* Tenth, the Trustee shall transfer the entire amount remaining in the Revenue Fund to the Capital Improvement Fund.

(b) Withdrawals by the Issuer pursuant to *Section 9.2(a)(8)* or (9) shall be made pursuant to a requisition substantially in the form provided in *Exhibit 9.2(b)*, duly executed by an Authorized Issuer Representative.

SECTION 9.3 Series 2013 Senior Lien Debt Service Fund

(a) There is hereby established a special trust fund which shall be designated the "Series 2013 Senior Lien Debt Service Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Series 2013 Senior Lien Debt Service Fund. The Series 2013 Senior Lien Debt Service Fund shall be part of the Series 2013 Senior Lien Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Senior Lien Obligations.

(b) Deposits shall be made to the Series 2013 Senior Lien Debt Service Fund as follows:

(1) On or before the twenty-fifth day of each month, the Trustee shall deposit in the Series 2013 Senior Lien Debt Service Fund an amount equal to 1/6 of the interest payable on the Series 2013 Senior Lien Obligations on the next Interest Payment Date (plus any prior deficiencies); provided, however, that if the period from the date of issuance of the Series 2013 Senior Lien Obligations until the first Interest Payment Date is more or less than six months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of interest on the first Interest Payment Date.

(2) On or before the twenty-fifth day of each month, if the principal or Accreted Value of Series 2013 Senior Lien Obligations is payable within the next 12 months (whether at maturity or pursuant to scheduled mandatory redemption requirements), the Trustee shall deposit in the Series 2013 Senior Lien Debt Service Fund an amount equal to 1/12 of such principal amount or Accreted Value (plus any prior deficiencies); provided, however, that if the period from the date of issuance of the Series 2013 Senior Lien Obligations until such principal or Accreted Value is payable is less than 12 months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of principal or Accreted Value on such first principal or Accreted Value payment date.

(3) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, if the amount on deposit in the Series 2013 Senior Lien Debt Service Fund is not sufficient for any reason to pay Debt Service due on Series 2013 Senior Lien

Obligations on such Warrant Payment Date, the Trustee shall transfer money to the Series 2013 Senior Lien Debt Service Fund from the Series 2013 Senior Lien Reserve Fund as provided in *Section 9.6(c)*.

The Trustee may claim a credit against such deposits for the amount of investment earnings realized in, or transferred to, the Series 2013 Senior Lien Debt Service Fund that have not been credited against prior deposits.

(c) On each Warrant Payment Date, money in the Series 2013 Senior Lien Debt Service Fund shall be applied by the Trustee to pay Debt Service due on the Series 2013 Senior Lien Obligations.

(d) If money on deposit in the Series 2013 Senior Lien Debt Service Fund on any Warrant Payment Date is sufficient to pay Debt Service on the Series 2013 Senior Lien Obligations due and payable on such Date, but the Holder of any Series 2013 Senior Lien Obligation that matures on such Date or that is subject to redemption on such Date fails to surrender such Series 2013 Senior Lien Obligation to the Trustee for payment of Debt Service due and payable on such Date, the Trustee shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay the Debt Service due and payable on such Series 2013 Senior Lien Obligation on such Date. Money so segregated and held in trust shall not be a part of the Series 2013 Senior Lien Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Debt Service.

(e) The Trustee may transfer funds on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of particular Series 2013 Senior Lien Obligations to a trust created pursuant to *Article 14* for the benefit of such Series 2013 Senior Lien Obligations.

SECTION 9.4 Series 2013 Subordinate Lien Debt Service Fund

(a) There is hereby established a special trust fund which shall be designated the "Series 2013 Subordinate Lien Debt Service Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Series 2013 Subordinate Lien Debt Service Fund. The Series 2013 Subordinate Lien Debt Service Fund shall be part of the Series 2013 Subordinate Lien Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Subordinate Lien Obligations.

(b) Deposits shall be made to the Series 2013 Subordinate Lien Debt Service Fund as follows:

(1) On or before the twenty-fifth day of each month, the Trustee shall deposit in the Series 2013 Subordinate Lien Debt Service Fund an amount equal to 1/6 of the interest payable on the Series 2013 Subordinate Lien Obligations on the next Interest Payment Date; provided, however, that if the period from the date of issuance of the Series 2013 Subordinate Lien Obligations until the first Interest Payment Date is more or less than six months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of interest on the first Interest Payment Date.

(2) On or before the twenty-fifth day of each month, if the principal or Accreted Value of Series 2013 Subordinate Lien Obligations is payable within the next 12 months (whether at maturity or pursuant to scheduled mandatory redemption requirements), the Trustee shall deposit in the Series 2013 Subordinate Lien Debt Service Fund an amount equal to 1/12 of such principal amount or Accreted Value; provided, however, that if the period from the date of issuance of the Series 2013 Subordinate Lien Obligations until such principal or Accreted Value is payable is less than 12 months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of principal or Accreted Value on such first principal or Accreted Value payment date.

(3) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, if the amount on deposit in the Series 2013 Subordinate Lien Debt Service Fund is not sufficient for any reason to pay Debt Service due on Series 2013 Subordinate Lien Obligations on such Warrant Payment Date, the Trustee shall transfer money to the Series 2013 Subordinate Lien Debt Service Fund from the Series 2013 Subordinate Lien Reserve Fund as provided in *Section 9.7(c)*.

The Trustee may claim a credit against such deposits for the amount of investment earnings realized in, or transferred to, the Series 2013 Subordinate Lien Debt Service Fund that have not been credited against prior deposits.

(c) On each Warrant Payment Date, money in the Series 2013 Subordinate Lien Debt Service Fund shall be applied by the Trustee to pay Debt Service due on the Series 2013 Subordinate Lien Obligations.

(d) If money on deposit in the Series 2013 Subordinate Lien Debt Service Fund on any Warrant Payment Date is sufficient to pay Debt Service on the Series 2013 Subordinate Lien Obligations due and payable on such Date, but the Holder of any Series 2013 Subordinate Lien Obligation that matures on such Date or that is subject to redemption on such Date fails to surrender such Series 2013 Subordinate Lien Obligation to the Trustee for payment of Debt Service due and payable on such Date, the Trustee shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay the Debt Service due and payable on such Series 2013 Subordinate Lien Obligation on such Date. Money so segregated and held in trust shall not be a part of the Series 2013 Subordinate Lien Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Debt Service.

(e) The Trustee may transfer funds on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of particular Series 2013 Subordinate Lien Obligations to a trust created pursuant to *Article 14* for the benefit of such Series 2013 Subordinate Lien Obligations.

SECTION 9.5 Operating Account

(a) The Issuer shall maintain an account (an "Operating Account") in its own name with a bank or financial institution selected by the Issuer (which may include the Trustee's commercial banking department) for the payment of Operating Expenses.

(b) On or before the twenty-fifth day of each month, the Trustee shall transfer money to the Operating Account from the Revenue Fund as required by *Section 9.2(a)(5)*.

(c) The Issuer shall use money in the Operating Account solely for the payment of Operating Expenses. Each payment or transfer from the Operating Account by the Issuer shall constitute an implied representation or warranty by the Issuer that the purpose of such payment or transfer is authorized by this Indenture. The Issuer shall provide copies of monthly bank statements for the Operating Account and such additional information and documentation with respect to the Operating Account as the Trustee shall reasonably request; provided, however, that the Trustee shall be entitled to rely upon the Issuer's implied representation or warranty with respect to the purpose of payments or transfers from the Operating Account, and neither a request for information or documentation nor any provision of this Indenture shall impose on the Trustee any duty or responsibility to verify that payments or transfers by the Issuer from the Operating Account are authorized by this Indenture.

(d) If an Indenture Default exists, the Trustee may direct the Issuer to transfer possession and control of the Operating Account to the Trustee. The Issuer shall complete such transfer within five Business Days after receipt of such notice. While the Operating Account is in the possession and control of the Trustee as described in this *Section 9.5(d)*, payments from the Operating Account may be made by the Issuer pursuant to such procedures as the Trustee shall establish in its discretion. If an Indenture Default which causes a transfer of control of the Operating Account pursuant to the provisions of this *Section 9.5(d)* no longer exists or is cured, then upon request of the Issuer the Trustee shall transfer control of the Operating Account back to the Issuer within five Business Days after receipt of such request.

SECTION 9.6 Series 2013 Senior Lien Reserve Fund

(a) There is hereby established a special trust fund which shall be designated the "Series 2013 Senior Lien Reserve Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund shall be part of the Series 2013 Senior Lien

Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Senior Lien Obligations.

(b) On the date of issuance of the Series 2013 Senior Lien Obligations, the Issuer shall deliver to the Trustee the Series 2013 Senior Lien Reserve Fund Letter of Credit. The Series 2013 Senior Lien Reserve Fund Letter of Credit shall be part of the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund Letter of Credit shall meet each of the following requirements:

(1) The Series 2013 Senior Lien Reserve Fund Letter of Credit shall be irrevocable so long as Series 2013 Senior Lien Obligations are Outstanding and shall be irrevocably payable to the Trustee, as trustee for the benefit of the Holders of Series 2013 Senior Lien Obligations.

(2) The Series 2013 Senior Lien Reserve Fund Letter of Credit shall provide for payment at sight of a properly completed draw request by wire transfer in accordance with the written instructions of the Trustee.

(3) The Series 2013 Senior Lien Reserve Fund Letter of Credit shall provide for delivery of collateral to the Trustee should a rating maintained by any one Rating Agency with respect to [the long-term obligations of] JPMorgan Chase Bank fall to or below one of following rating categories: [_____] (or its equivalent)] assigned by a Rating Agency at any time the Series 2013 Senior Lien Obligations are Outstanding. Collateral delivery shall not create an obligation of the Issuer to reimburse JPMorgan Chase Bank, unless such collateral is withdrawn as provided in **Section 9.6(c)**. The required collateral shall be in the form of cash or Qualified Investments, which shall be deposited in a segregated account within the Series 2013 Senior Lien Reserve Fund, to be held or returned by the Trustee subject to the provisions of the Series 2013 Collateral Support Agreement.

JPMorgan Chase Bank may deliver cash in substitution of its Series 2013 Senior Lien Reserve Fund Letter of Credit at any time, provided that the amount of such cash delivered in substitution therefor is equal to the then available stated amount under the Series 2013 Senior Lien Reserve Fund Letter of Credit. Any money delivered by JPMorgan Chase Bank as provided in this Section shall be deposited in a segregated account of the Series 2013 Senior Lien Reserve Fund, to be held or returned by the Trustee pursuant to the provisions of **Section 9.6(e)**.

(c) Withdrawals from the Series 2013 Senior Lien Reserve Fund shall be made in the following order:

(1) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, the Trustee shall withdraw money in the Series 2013 Senior Lien Reserve Fund (other than collateral (if any) provided by JPMorgan Chase Bank pursuant to **Section 9.6(b)(3)**) and use such money to pay Debt Service on the Series 2013 Senior Lien Obligations, but only if money on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Senior Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(2) If the amount available under **Section 9.6(c)(1)** is insufficient to provide the funds necessary to prevent a default in the payment of Debt Service on the Series 2013 Senior Lien Obligations, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, the Trustee shall either (i) draw upon the Series 2013 Senior Lien Reserve Fund Letter of Credit in the minimum amount of \$100,000, or (ii) transfer cash delivered by JPMorgan Chase Bank in substitution of its Series 2013 Senior Lien Reserve Fund Letter of Credit, and the proceeds of such draw or transfer shall be used to pay Debt Service on the Series 2013 Senior Lien Obligations, but only if money on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Senior Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service. The balance of the proceeds of any draw not needed for transfer to the Series 2013 Senior Lien Debt Service Fund shall be deposited in the Series 2013 Senior Lien Reserve Fund.

(3) If the Trustee draws upon the Series 2013 Senior Lien Reserve Fund Letter of Credit and JPMorgan Chase Bank fails to honor such draw, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, the Trustee shall withdraw collateral (if any) provided by JPMorgan Chase Bank pursuant to **Section 9.6(b)(3)** in an amount up to the amount requested in such dishonored draw request and use such money to pay Debt Service on the Series 2013 Senior Lien Obligations, but only if money on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Senior Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(d) If any withdrawal from the Series 2013 Senior Lien Reserve Fund is made pursuant to **Section 9.6(c)**, the Trustee shall, on or before the twenty-fifth day of each month after such withdrawal (in accordance with the priority specified in **Section 9.2**), transfer money from the Revenue Fund to the Series 2013 Senior Lien Reserve Fund in an amount equal to the lesser of (i) 1/12 of the amount withdrawn or (ii) the amount required to restore the balance in the Series 2013 Senior Lien Reserve Fund to the Series 2013 Senior Lien Reserve Fund Requirement; provided that withdrawals made pursuant to **Section 9.6(e)**, **9.6(f)** or **9.6(g)** need not be reimbursed by the Issuer.

(e) On or before October 1 of each year and on or before the date of any optional redemption or Defeasance of Series 2013 Senior Lien Obligations, the Trustee shall determine the balance in the Series 2013 Senior Lien Reserve Fund. The balance in the Series 2013 Senior Lien Reserve Fund shall be determined by valuing Qualified Investments on deposit at fair market value as of the date of determination (exclusive of accrued interest) and by valuing the Series 2013 Senior Lien Reserve Fund Letter of Credit on deposit at the then current amount of permissible draws available thereunder on the date of determination. The Trustee may value Qualified Investments or the Series 2013 Senior Lien Reserve Fund Letter of Credit on any Business Day up to three Business Days prior to the date of any transfer or withdrawal permitted by this **Section 9.6**. The amount, if any, by which the balance in the Series 2013 Senior Lien Reserve Fund on any such determination date exceeds the Series 2013 Senior Lien Reserve Fund Requirement shall be applied by the Trustee as follows:

(1) Excess money attributable to funds deposited into the Series 2013 Senior Lien Reserve Fund from System Revenues shall be transferred to the Series 2013 Senior Lien Debt Service Fund, or

(2) Excess money attributable to funds deposited into the Series 2013 Senior Lien Reserve Fund by JPMorgan Chase Bank in substitution of the Series 2013 Senior Lien Reserve Fund Letter of Credit shall be returned to JPMorgan Chase Bank.

Losses attributable investment of cash deposited into the Series 2013 Senior Lien Reserve Fund by JPMorgan Chase Bank in substitution of its Series 2013 Senior Lien Reserve Fund Letter of Credit shall be reimbursed by JPMorgan Chase Bank within 15 business days of written demand therefor by the Trustee. Subject to the Series 2013 Collateral Support Agreement, to the extent collateral has been delivered by JPMorgan Chase Bank pursuant to **Section 9.6(b)(3)**, the Trustee shall not transfer the amount of such collateral under the provisions of this **Section 9.6(e)**.

(f) The Trustee may transfer funds on deposit in the Series 2013 Senior Lien Reserve Fund to a trust created pursuant to **Article 14** for the benefit of the Series 2013 Senior Lien Obligations, so long as the balance in the Series 2013 Senior Lien Reserve Fund, after giving effect to such transfer, is not less than the Series 2013 Senior Lien Reserve Fund Requirement, provided that (i) draws on the Series 2013 Senior Lien Reserve Fund Letter of Credit, (ii) cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Senior Lien Reserve Fund Letter of Credit or (iii) any collateral delivered by JPMorgan Chase Bank pursuant to **Section 9.6(b)(3)** may not be used for this purpose.

(g) Notwithstanding the provisions of this **Section 9.6**, if the terms of the Series 2013 Senior Lien Reserve Fund Letter of Credit allow for reinstatement, the Issuer may direct the Trustee to make a withdrawal from the Series 2013 Senior Lien Reserve Fund by delivering a certificate in substantially the form attached hereto as **Exhibit 9.6(g)** for the purpose of optionally redeeming Senior Lien Reserve Fund Warrants, but only if (i) redemption of such Senior Lien Reserve Fund Warrants will have the effect of reinstating coverage under the Series 2013 Senior Lien Reserve Fund Letter of Credit in the amount of such withdrawal, and (ii) the result of such

withdrawal immediately after giving effect to reinstatement of the Series 2013 Senior Lien Reserve Fund Letter of Credit is that the Issuer meets the Series 2013 Senior Lien Reserve Fund Requirement, taking into account amounts held in the Series 2013 Senior Lien Reserve Fund and the coverage provided by the Series 2013 Senior Lien Reserve Fund Letter of Credit; provided that cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Senior Lien Reserve Fund Letter of Credit or collateral (if any) delivered by JPMorgan Chase Bank pursuant to **Section 9.6(b)(3)** shall not be used for this purpose.

(h) For the avoidance of doubt, none of the Series 2013 Senior Lien Reserve Fund Letter of Credit nor cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Senior Lien Reserve Fund Letter of Credit nor collateral (if any) delivered by JPMorgan Chase Bank pursuant to **Section 9.6(b)(3)** may be drawn upon to pay Debt Service due on optional redemption of the Series 2013 Senior Lien Obligations.

SECTION 9.7 Series 2013 Subordinate Lien Reserve Fund

(a) There is hereby established a special trust fund which shall be designated the "Series 2013 Subordinate Lien Reserve Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund shall be part of the Series 2013 Subordinate Lien Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Subordinate Lien Obligations.

(b) On the date of issuance of the Series 2013 Subordinate Lien Obligations, the Issuer shall deliver to the Trustee the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall be part of the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall meet each of the following requirements:

(1) The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall be irrevocable so long as Series 2013 Subordinate Lien Obligations are Outstanding and shall be irrevocably payable to the Trustee, as trustee for the benefit of the Holders of Series 2013 Subordinate Lien Obligations.

(2) The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall provide for payment at sight of a properly completed draw request by wire transfer in accordance with the written instructions of the Trustee.

(3) The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall provide for delivery of collateral to the Trustee should a rating maintained by any one Rating Agency with respect to [the long-term obligations of] JPMorgan Chase Bank fall to or below one of following rating categories: [_____] (or its equivalent)] assigned by a Rating Agency at any time the Series 2013 Subordinate Lien Obligations are Outstanding. Collateral delivery shall not create an obligation of the Issuer to reimburse JPMorgan Chase Bank, unless such collateral is withdrawn as provided in **Section 9.7(c)**. The required collateral shall be in the form of cash or Qualified Investments, which shall be deposited in a segregated account within the Series 2013 Subordinate Lien Reserve Fund, to be held or returned by the Trustee subject to the provisions of the Series 2013 Collateral Support Agreement.

JPMorgan Chase Bank may deliver cash in substitution of its Series 2013 Subordinate Lien Reserve Fund Letter of Credit at any time, provided that the amount of such cash delivered in substitution therefor is equal to the then available stated amount under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. Any money delivered by JPMorgan Chase Bank as provided in this Section shall be deposited in a segregated account of the Series 2013 Subordinate Lien Reserve Fund, to be held or returned by the Trustee pursuant to the provisions of **Section 9.7(e)**.

(c) Withdrawals from the Series 2013 Subordinate Lien Reserve Fund shall be made in the following order:

(1) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, the Trustee shall withdraw money in the Series 2013 Subordinate Lien Reserve Fund (other than collateral (if any) provided by JPMorgan Chase Bank

pursuant to **Section 9.7(b)(3)**) and use such money to pay Debt Service on the Series 2013 Subordinate Lien Obligations, but only if money on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Subordinate Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(2) If the amount available under **Section 9.7(c)(1)** is insufficient to provide the funds necessary to prevent a default in the payment of Debt Service on the Series 2013 Subordinate Lien Obligations, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, the Trustee shall either (i) draw upon the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in the minimum amount of \$100,000, or (ii) transfer cash delivered by JPMorgan Chase Bank in substitution of its Series 2013 Subordinate Lien Reserve Fund Letter of Credit, and the proceeds of such draw or transfer shall be used to pay Debt Service on the Series 2013 Subordinate Lien Obligations, but only if money on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Subordinate Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service. The balance of the proceeds of any draw not needed for transfer to the Series 2013 Subordinate Lien Debt Service Fund shall be deposited in the Series 2013 Subordinate Lien Reserve Fund.

(3) If the Trustee draws upon the Series 2013 Subordinate Lien Reserve Fund Letter of Credit and JPMorgan Chase Bank fails to honor such draw, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, the Trustee shall withdraw collateral (if any) provided by JPMorgan Chase Bank pursuant to **Section 9.7(b)(3)** in an amount up to the amount requested in such dishonored draw request and use such money to pay Debt Service on the Series 2013 Subordinate Lien Obligations, but only if money on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Subordinate Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(d) If any withdrawal from the Series 2013 Subordinate Lien Reserve Fund is made pursuant to **Section 9.7(c)**, the Trustee shall, on or before the twenty-fifth day of each month after such withdrawal (in accordance with the priority specified in **Section 9.2**), transfer money from the Revenue Fund to the Series 2013 Subordinate Lien Reserve Fund in an amount equal to the lesser of (i) 1/12 of the amount withdrawn or (ii) the amount required to restore the balance in the Series 2013 Subordinate Lien Reserve Fund to the Series 2013 Subordinate Lien Reserve Fund Requirement; provided that withdrawals made pursuant to **Section 9.7(e)**, **9.7(f)** or **9.7(g)** need not be reimbursed by the Issuer.

(e) On or before October 1 of each year and on or before the date of any optional redemption or Defeasance of Series 2013 Subordinate Lien Obligations, the Trustee shall determine the balance in the Series 2013 Subordinate Lien Reserve Fund. The balance in the Series 2013 Subordinate Lien Reserve Fund shall be determined by valuing Qualified Investments on deposit at fair market value as of the date of determination (exclusive of accrued interest) and by valuing the Series 2013 Subordinate Lien Reserve Fund Letter of Credit on deposit at the then current amount of permissible draws available thereunder on the date of determination. The Trustee may value Qualified Investments or the Series 2013 Subordinate Lien Reserve Fund Letter of Credit on any Business Day up to three Business Days prior to the date of any transfer or withdrawal permitted by this **Section 9.7**. The amount, if any, by which the balance in the Series 2013 Subordinate Lien Reserve Fund on any such determination date exceeds the Series 2013 Subordinate Lien Reserve Fund Requirement shall be applied by the Trustee as follows:

(1) Excess money attributable to funds deposited into the Series 2013 Subordinate Lien Reserve Fund from System Revenues shall be transferred to the Series 2013 Subordinate Lien Debt Service Fund, or

(2) Excess money attributable to funds deposited into the Series 2013 Subordinate Lien Reserve Fund by JPMorgan Chase Bank in substitution of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall be returned to JPMorgan Chase Bank.

Losses attributable investment of cash deposited into the Series 2013 Subordinate Lien Reserve Fund by JPMorgan Chase Bank in substitution of its Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall be reimbursed by JPMorgan Chase Bank within 15 business days of written demand therefor by the Trustee. Subject to the Series 2013 Collateral Support Agreement, to the extent collateral has been delivered by JPMorgan Chase Bank pursuant to **Section 9.7(b)(3)**, the Trustee shall not transfer the amount of such collateral under the provisions of this **Section 9.7(e)**.

(f) The Trustee may transfer funds on deposit in the Series 2013 Subordinate Lien Reserve Fund to a trust created pursuant to **Article 14** for the benefit of the Series 2013 Subordinate Lien Obligations, so long as the balance in the Series 2013 Subordinate Lien Reserve Fund, after giving effect to such transfer, is not less than the Series 2013 Subordinate Lien Reserve Fund Requirement, provided that (i) draws on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, (ii) cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Subordinate Lien Reserve Fund Letter of Credit or (iii) any collateral delivered by JPMorgan Chase Bank pursuant to **Section 9.7(b)(3)** may not be used for this purpose.

(g) Notwithstanding the provisions of this **Section 9.7**, if the terms of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit allow for reinstatement, the Issuer may direct the Trustee to make a withdrawal from the Series 2013 Subordinate Lien Reserve Fund by delivering a certificate in substantially the form attached hereto as **Exhibit 9.7(g)** for the purpose of optionally redeeming Subordinate Lien Reserve Fund Warrants, but only if (i) redemption of such Subordinate Lien Reserve Fund Warrants will have the effect of reinstating coverage under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in the amount of such withdrawal, and (ii) the result of such withdrawal immediately after giving effect to reinstatement of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit is that the Issuer meets the Series 2013 Subordinate Lien Reserve Fund Requirement, taking into account amounts held in the Series 2013 Subordinate Lien Reserve Fund and the coverage provided by the Series 2013 Subordinate Lien Reserve Fund Letter of Credit; provided that cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Subordinate Lien Reserve Fund Letter of Credit or collateral (if any) delivered by JPMorgan Chase Bank pursuant to **Section 9.7(b)(3)** shall not be used for this purpose.

(h) For the avoidance of doubt, none of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit nor cash delivered by JPMorgan Chase Bank in substitution for the Series 2013 Subordinate Lien Reserve Fund Letter of Credit nor collateral (if any) delivered by JPMorgan Chase Bank pursuant to **Section 9.7(b)(3)** may be drawn upon to pay Debt Service due on optional redemption of the Series 2013 Subordinate Lien Obligations.

SECTION 9.8 Capital Improvement Fund

(a) There is hereby established with the Trustee a trust fund which shall be designated the "Capital Improvement Fund". The Trustee shall be the depository, custodian and disbursing agent for the Capital Improvement Fund. The Capital Improvement Fund shall be part of the General Trust Estate and shall be held by the Trustee for the benefit of the Holders of all Secured Obligations.

(b) On or before the twenty-fifth day of each month, if all payments and deposits required during such month by **Section 9.2(a)(1)** through (7) have been made, the Trustee shall deposit the remaining money in the Capital Improvement Fund pursuant to **Section 9.2(a)(10)**, but only to the extent the Issuer has not requested funds from the Trustee for the purposes described in **Sections 9.2(a)(8)** and (9).

(c) Money in the Capital Improvement Fund may be used for the following purposes:

(1) If no Indenture Default exists, the Issuer may withdraw money from the Capital Improvement Fund from time to time for the purpose of paying (A) costs of Capital Improvements to the System, (B) the purchase price of Secured Obligations purchased pursuant to the provisions of **Section 6.2**, (C) the purchase price of Callable Warrants purchased in lieu of optional redemption pursuant to the provisions of **Section 7.9**, (D) amounts needed for optional redemption of Secured Obligations, or (E) amounts necessary to pay Rebate Liability, if the Issuer delivers to the Trustee a requisition substantially in the form attached as **Exhibit 9.8(c)**, executed by an Authorized Issuer Representative.

(2) If money on deposit with the Trustee in the related Debt Service Fund is not sufficient for the timely payment of Debt Service due on Secured Obligations, the Trustee may transfer money from the Capital Improvement Fund to the related Debt Service Fund to the extent necessary for payment of such Debt Service.

(3) If money on deposit in the Operating Account is not sufficient for the timely payment of Operating Expenses, the Issuer may direct the Trustee to transfer money from the Capital Improvement Fund to the Operating Account for the payment of Operating Expenses.

(4) On the date of issuance of any Secured Obligations, the Issuer may direct the Trustee to transfer money from the Capital Improvement Fund to any related Secured Obligation Reserve Fund, subject to the terms and conditions of *Section 8.2(a)(I)(G)*.

SECTION 9.9 Costs of Issuance Fund

(a) There is hereby established with the Trustee a trust fund which shall be designated the "Costs of Issuance Fund". The Trustee shall be the depository, custodian and disbursing agent for the Costs of Issuance Fund. The Costs of Issuance Fund shall be part of the General Trust Estate.

(b) A deposit to the Costs of Issuance Fund shall be made from the proceeds of the Warrants, as provided in *Section 5.7*. Any Supplemental Indenture with respect to the issuance of Secured Obligations may provide for additional deposits to the Costs of Issuance Fund.

(c) Money in the Costs of Issuance Fund shall be paid by the Trustee from time to time for the purpose of paying Costs of Issuance with respect to Secured Obligations upon delivery to the Trustee of a written direction executed by an Authorized Issuer Representative, together with a copy of each invoice to which such request relates.

(d) At the request of the Issuer, the Trustee shall establish a separate account within the Costs of Issuance Fund for the proceeds of any series of Secured Obligations.

(e) After an Authorized Issuer Representative certifies to the Trustee that money remaining in the Costs of Issuance Fund is not needed to pay Costs of Issuance with respect to the Warrants, any balance remaining in the Costs of Issuance Fund shall be transferred to the Revenue Fund.

SECTION 9.10 Clearing Accounts and Fund Subaccounts

(a) In connection with the issuance of any Secured Obligations hereunder, at the direction of the Issuer, the Trustee shall create a clearing account to receive and disburse initial proceeds from the sale of any Secured Obligations hereunder and other funds of the Issuer delivered to the Trustee in connection with the issuance of such Secured Obligations.

(b) At the direction of the Issuer, the Trustee shall create one or more accounts within any Indenture Fund, which account or accounts shall, for all purposes, constitute a part of the Indenture Fund to which they relate.

SECTION 9.11 Investment of Indenture Funds

(a) Except as otherwise expressly provided in this Indenture, any money held as part of an Indenture Fund (other than the Operating Account) shall be invested or reinvested in Qualified Investments by the Trustee in accordance with the instructions of the Issuer. The Trustee may rely on the direction of the Issuer as to both the legality and suitability of the directed investment. In the absence of such instructions, the Trustee may hold such money in cash or in the investments described in paragraph (g) of the definition of Qualified Investments. Interest and profits on investments in the Series 2013 Senior Lien Reserve Fund shall be transferred to the Series 2013 Senior Lien Debt Service Fund, as provided in *Section 9.6(e)*. Interest and profits on investments in the Series 2013 Subordinate Lien Reserve Fund shall be transferred to the Series 2013 Subordinate Lien Debt Service Fund, as provided in *Section 9.7(e)*. Except as provided with respect to investment earnings on the Series 2013 Senior Lien

Reserve Fund and the Series 2013 Subordinate Lien Reserve Fund, any investment made with money on deposit in an Indenture Fund shall be held by or under control of the Trustee and shall be deemed at all times a part of the Indenture Fund where such money was on deposit, and the interest and profits realized from such investment shall be credited to such Indenture Fund and any loss resulting from such investment shall be charged to such Indenture Fund. The Issuer may invest funds in the Operating Account in only Qualified Investments.

(b) Any investment of money in the Indenture Funds may be made by the Trustee through its own bond department, investment department or other commercial banking department providing investment services.

(c) The Trustee shall follow the instructions of the Issuer with respect to investments of the Indenture Funds as provided in this Section, and the Trustee shall not be responsible for (i) determining that any such investment complies with the arbitrage limitations imposed by Section 148 of the Internal Revenue Code, or (ii) calculating the amount of any Rebate Liability. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it at the direction of the Issuer or for whether any such investment is a Qualified Investment.

(d) If the Trustee shall have actual notice that any Qualified Investments held by the Trustee shall no longer have the required rating, the Trustee shall promptly notify the Issuer of the downgrade or withdrawal of such investment's rating.

SECTION 9.12 Application of Funds After Indenture Indebtedness Defeased

(a) After any series of Secured Obligations has been paid or Defeased, any money or investments remaining in the related Secured Obligation Debt Service Funds or the related Secured Obligation Reserve Funds shall be transferred to the Revenue Fund.

(b) After all Indenture Indebtedness has been paid or Defeased, any money or investments remaining in the Indenture Funds or otherwise constituting part of the Trust Estate shall be paid to the Issuer if no Indenture Default exists.

(c) Notwithstanding the provisions of this Section, any collateral deposited in the Series 2013 Senior Lien Reserve Fund pursuant to *Section 9.6(b)(3)* or any collateral deposited in the Series 2013 Subordinate Lien Reserve Fund pursuant to *Section 9.7(b)(3)* shall be directed as provided in the Series 2013 Collateral Support Agreement.

ARTICLE 10

Representations and Covenants

SECTION 10.1 General Representations

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

(a) Under the provisions of the Enabling Law and its organizational documents, it has the power to consummate the transactions described in the Secured Obligation Documents.

(b) The Secured Obligation Documents to which it is a party constitute legal, valid and binding obligations of the Issuer and are enforceable against it in accordance with the terms of such Secured Obligation Documents, 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.

(c) The lien imposed by this Indenture is a first-priority valid, binding lien on System Revenues and on the Trust Estate. The Issuer's title to the System as it presently exists is free and clear of any encumbrance or other lien, other than liens permitted by *Section 10.8(c)*.

SECTION 10.2 Encumbrances on Trust Estate

The Issuer will not create any pledge, charge, encumbrance or lien of any kind on the Trust Estate or any part thereof prior to or on a parity with the lien of this Indenture and will not create or permit any other lien on the Trust Estate or any part thereof except as permitted by *Article 8* and *Section 10.8*.

SECTION 10.3 Payment of Secured Obligations

The Issuer will, from funds constituting part of the Trust Estate, duly and punctually pay, or cause to be paid, the Debt Service on the Secured Obligations as and when the same shall become due and will, from funds constituting a part of the Trust Estate, duly and punctually deposit, or cause to be deposited, in the Indenture Funds the amounts required to be deposited therein, all in accordance with the terms of the Secured Obligations and this Indenture.

SECTION 10.4 Inspection of Records

The Issuer will at any and all times, upon the request of the Trustee, afford and procure a reasonable opportunity for the Trustee by its representatives to inspect any books, records, reports and other papers of the Issuer relating to the performance by the Issuer of its covenants in this Indenture, and the Issuer will furnish to the Trustee any and all information as the Trustee may reasonably request with respect to the performance by the Issuer of its covenants in this Indenture.

SECTION 10.5 Advances by Trustee

If the Issuer shall fail to perform any of its covenants in this Indenture, the Trustee may, but shall not be required, at any time and from time to time, to make advances to effect performance of any such covenant on behalf of the Issuer. Any money so advanced by the Trustee, together with interest at the Post-Default Rate, shall be repaid upon demand and such advances shall be secured under this Indenture prior and senior in right to any Secured Obligations.

SECTION 10.6 Transfer of System

(a) The Issuer may transfer the System substantially as an entirety to another person if

(1) the person who acquires by conveyance or transfer the System substantially as an entirety (the "Successor") shall execute and deliver to the Trustee an instrument in form recordable and acceptable to the Trustee containing an assumption by such Successor of the due and punctual payment of the Debt Service on the Secured Obligations and the performance and observance of every covenant and condition of the Secured Obligation Documents to be performed or observed by the Issuer; and

(2) the Issuer shall deliver to the Trustee a Favorable Tax Opinion.

(b) Upon any conveyance or transfer of the System substantially as an entirety in accordance with this Section, the Successor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Successor had been named as the Issuer herein. Upon any conveyance or transfer of the System substantially as an entirety in accordance with this Section, the Issuer shall be released from all further obligations of whatsoever type hereunder.

SECTION 10.7 Compliance with the Tax Certificate and Agreement

(a) The Issuer will comply with the covenants and agreements on its part contained in the Tax Certificate and Agreement.

(b) Pursuant to Section 148(f) of the Internal Revenue Code, the Issuer must monitor and pay over to the U.S. Treasury any Rebate Liability when due. *Section 9.2(a)(8)* permits the Issuer to make withdrawals from the Revenue Fund for the purpose of paying Rebate Liability with respect to Secured Obligations.

SECTION 10.8 Covenants Regarding Ownership and Operation of the System

The Issuer covenants and agrees that:

(a) **Maintenance and Operation of the System.** The Issuer shall keep the System in good repair and efficient operating condition, making from time to time all needed repairs and replacements thereto, the cost of which shall be paid solely from System Revenues and the Sewer Tax Proceeds, and it will continuously operate the System in an economical and efficient manner. The Issuer shall maintain and operate the System in accordance with all applicable federal and state law, including the Consent Decree, and prudent industry practices.

(b) **Preservation of Priority of Pledge.** The Issuer will protect and preserve the priority of the pledge and assignment of the System Revenues imposed by this Indenture and will not grant or permit any encumbrance, pledge or lien on the System Revenues other than:

(1) a lien on revenues from any sewer system acquired by the Issuer after the date of delivery of this Indenture if such lien (i) was already in existence at the time of acquisition of such system by the Issuer, and (ii) is not renewed or extended by the Issuer so that such lien applies to the System as it existed immediately prior to such acquisition;

(2) a lien arising in the ordinary course of business described in *Section 10.8(c)(1)*; and

(3) a lien that is subject and subordinate to the lien of this Indenture.

(c) **Encumbrances on Other System Assets.** Liens on System Revenues are not permitted except as provided in *Section 10.8(b)*. The Issuer shall not grant or permit any encumbrance, pledge or lien on any other assets constituting part of the System other than:

(1) liens arising in the ordinary course of business of operating the System (other than liens to secure debt), including (i) pledges or deposits to secure obligations under workmen's compensation laws or similar legislation, including liens of judgments thereunder which are not currently dischargeable, (ii) pledges or deposits to secure performance in connection with bids, tenders, contracts (other than contracts for the payment of money) or leases made in the ordinary course of business to which the Issuer is a party as lessee, (iii) pledges or deposits to secure public or statutory obligations of the Issuer, (iv) materialmen's, mechanics', carriers', workmen's, repairmen's, or other similar liens arising in the ordinary course of business, or deposits to obtain the release of such liens, provided that payment of the amount secured by such lien is not delinquent or payment is being contested in good faith by appropriate proceedings, (v) liens resulting from any judgment that is being contested in good faith by appropriate proceedings if execution on such judgment is effectively stayed, and pledges or deposits to secure, or provided in lieu of, any surety, stay or appeal obligation with respect to any such judgment, (vi) leases made, or existing on assets acquired, in the ordinary course of business, (vii) zoning restrictions, easements, licenses, restrictions on the use of real property or minor irregularities in title thereto, which do not, in the opinion of the Issuer, materially impair the use of such property in the operation of the business of the Issuer or the value of such property for the purpose of such business, (viii) pledges or deposits to enable the Issuer to maintain self-insurance or to participate in any self-insurance pools or trusts, and (ix) liens on money deposited by users of utility services as security for, or as prepayment of, the cost of, utility services to be rendered by the Issuer;

(2) restrictions or other liens on an asset created prior to, or as a condition of, the transfer of such asset to the Issuer by an unrelated entity; and

(3) capitalized leases and other title retention agreements with respect to movable personal property or vehicles entered into in connection with the original acquisition of the asset.

(d) **Disposition of Portions of the System.** The Issuer shall not convey, transfer, sell, lease or otherwise dispose of any asset constituting part of the System (other than in the ordinary course of business) unless no Indenture Default exists when such disposition is made and such disposition meets one of the following tests:

(1) Such disposition is made pursuant to a transfer of substantially all of the assets of the Issuer permitted by *Section 10.6* of this Indenture.

(2) In the judgment of the Issuer, the asset to be disposed of consists of property, plant or equipment that is obsolete, worn out, unprofitable, unsuitable or surplus and such disposition will not materially impair the structural soundness, efficiency or economic value of the remaining operating assets of the System.

(3) The property disposed of is real property, no portion of the Issuer's operating assets are located on the property, and the Issuer receives consideration in an amount not less than the fair market value of such property. The proceeds of such disposition shall either be deposited in the Capital Improvement Fund or used to redeem, Defease or purchase Secured Obligations in the following order:

(A) *First*, Senior Lien Obligations.

(B) *Second*, Subordinate Lien Obligations.

(4) The property disposed of constitutes part of the Issuer's operating assets, and both of the following conditions are met:

(A) The Issuer receives consideration in an amount not less than the fair market value of the asset disposed of.

(B) If such asset being disposed of has a fair market value on disposition of less than 2.5% of the aggregate value of current and noncurrent assets of the System, prior to the disposition of such asset, the Issuer delivers to the Trustee a report of an Independent Consultant (i) expressing the opinion that such disposition will not impair the safe and efficient operation of the remaining portions of the System and (ii) demonstrating expected compliance with the Required Coverage Ratios for the then current and each of the following four Fiscal Years; provided that, if the value of the asset being disposed of is less than \$1,000,000, the Issuer may deliver a report of an Independent Certified Public Accountant. If the value of such asset being disposed of has a fair market value on disposition of an amount equal to or in excess of 2.5% of the aggregate value of current and noncurrent assets of the System, such report shall include a forecast of (x) the amount of Net Income Available for Debt Service to be realized by the System in the then current and each of the following four Fiscal Years, based on rates and charges for the System already adopted by the Issuer, (y) the projected Debt Service Requirements in the then current and each of the following four Fiscal Years, and (z) the resulting coverage ratios expressed in accordance with the definition of Required Coverage Ratios. Notwithstanding the foregoing, the fair market value of all assets disposed of in any Fiscal Year shall not exceed 5% of the aggregate value of current and noncurrent assets of the System.

The proceeds of such disposition shall either be deposited in the Capital Improvement Fund or used to redeem, Defease or purchase Secured Obligations in the following order:

(Y) *First*, Senior Lien Obligations.

(Z) *Second*, Subordinate Lien Obligations.

(e) **Books and Records.** The Issuer shall maintain complete books and records pertaining to the System and all receipts and disbursements with respect thereto. All transactions shall be recorded within thirty days after the transaction giving rise to the entry.

(f) **Budget and Related Financial Data.** Not later than the beginning of each Fiscal Year, the Issuer shall deliver to the Trustee:

- (1) the operating budget of the System for such Fiscal Year and the Issuer's calculation of the Required Operating Reserve for such Fiscal Year; and
- (2) the capital improvement budget of the System for such Fiscal Year.

The budget in effect for any Fiscal Year may be amended or revised by the Issuer in accordance with changed circumstances and conditions at any time during such Fiscal Year. Any revised budget shall be delivered to the Trustee.

(g) **Audit.** The Issuer shall deliver to the Trustee audited financial statements of the System for each Fiscal Year, including a report by the Issuer's auditors with respect to such financial statements, not later than 270 days after the date of issuance of the Warrants for the Fiscal Year ended September 30, 2013 and not later than 270 days after the end of each Fiscal Year thereafter.

(h) **No Free Service.** The Issuer shall not furnish any free utility service to any person, including the State or any other political subdivision, provided that the Issuer may waive impact fees for municipal facilities that will be used directly by a municipal governing body for carrying out their governmental functions.

(i) **Imposition of Liens for Failure to Pay.** To the extent permitted by law, if the account of any customer of utility service supplied by the System shall remain unpaid after such account shall become due (or such longer period, if any, as may be required for compliance with applicable federal and state law) after exhausting reasonable collection efforts, the Issuer shall promptly impose a lien upon the real property of such customer, but upon subsequent payment of the account, including any penalties which may be provided for in the applicable schedule of rates and charges, together with all costs associated with imposition of such lien, the Issuer may release the lien imposed upon the real property of such customer.

(j) **Insurance.** The Issuer shall maintain insurance with respect to the System against such risks as are customarily insured against by utility systems similar in size and character to the System, including:

- (1) Insurance against loss or damage by fire or other casualty covered by the standard form of extended coverage endorsement at the time in use in the State, with loss retention or deductible amounts from coverage that, in the judgment of the Issuer, are customary and prudent for the System;
- (2) Self-insurance against liability for bodily injury to or death of persons (including the operation of vehicles owned or leased by the Issuer and used in connection with the System), in the minimum amounts of \$100,000 for bodily injury or death for one person in any single occurrence or \$300,000 in the aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence; provided, however, that the coverage required by this paragraph shall be increased should the law limiting the Issuer's liability for such risks be amended to increase the Issuer's exposure to such liability; and
- (3) Workmen's compensation insurance respecting all employees of the System in such amount as is customarily carried by utility systems similar in size and character to the System; provided, that the Issuer may, at its election, be self-insured for such risk to the extent customary at the time for utility systems similar in size and character to the System.

SECTION 10.9 Maintenance of Rates

(a) The Confirmed Plan of Adjustment includes the Issuer's obligation to comply with the Rate Resolution. The Issuer hereby adopts the Rate Resolution as part of this Indenture and hereby covenants and agrees that, so long as any of the Secured Obligations are Outstanding, it will keep the Rate Resolution in full force and effect and will comply with the terms of the Rate Resolution. The Issuer's obligation to comply with the Rate

Resolution is cumulative and in addition to its separate and independent covenant and agreement to comply with the terms and conditions of **Section 10.9(b)** and **Section 10.9(c)**.

(b) If the results of operations for the System for any Fiscal Year fail to comply with the Required Coverage Ratios, within 90 days after the beginning of the following Fiscal Year, the Issuer shall deliver to the Trustee (i) a revised schedule of rates and charges for System services, duly adopted by the Issuer after the beginning of the prior Fiscal Year (or during the then current Fiscal Year), (ii) a forecast of results of operations for the then current Fiscal Year, and (iii) a certificate of the Issuer's County Manager and Chief Financial Officer stating in effect that, after taking into account remedial action approved by the Issuer (including such revised schedule of rates and charges), the Issuer reasonably expects in good faith to be in compliance with the Required Coverage Ratios as of the end of such Fiscal Year.

(c) If the results of operations of the System fail to comply with the Required Coverage Ratios for two consecutive Fiscal Years, within 60 days after the beginning of the following Fiscal Year, the Issuer shall retain an Independent Consultant to recommend a revised schedule of rates and charges for System services and other actions to improve the results of operations for the System in accordance with the following procedures.

(1) The Issuer shall notify the Trustee of the identity of the proposed Independent Consultant, and the Trustee shall send notice of such proposed engagement to the Holders containing information on how to object to the proposed Independent Consultant. If both the Holders of more than 50% of the outstanding principal amount of the Senior Lien Obligations and the Holders of more than 50% of the outstanding principal amount of the Subordinate Lien Obligations object to the identity of the Issuer's proposed Independent Consultant in writing in accordance with the instructions of the Trustee within 15 calendar days of the giving of such notice, the Trustee shall provide notice to the Issuer of the Holders' rejection of the Issuer's proposed Independent Consultant together with the results of voting. If the requisite percentages of Holders do not reject the Issuer's proposed Independent Consultant in writing, the Trustee shall notify the Issuer that the Holders have not rejected the Issuer's proposed Independent Consultant.

(2) If the Holders vote to reject the Issuer's proposed Independent Consultant, the Issuer shall propose a new Independent Consultant to the Trustee, and the process provided for in **Section 10.9(c)(1)** shall be repeated until the requisite percentages of Holders do not reject the Issuer's proposed Independent Consultant.

(3) Within 45 days after the end of the last Holder notice and voting period provided for in the previous subparagraphs, the Issuer shall deliver to the Trustee a report of the Independent Consultant containing (i) the Independent Consultant's recommendation for a revised schedule of rates and charges for System services, (ii) recommendations for other actions to improve the results of operations of the System, (iii) a forecast of results of operations for such Fiscal Year (taking into account the remedial actions recommended), and (iv) a statement by the Independent Consultant that, after taking into account remedial action recommended, it expects the Issuer to be in compliance with the Required Coverage Ratios as of the end of such Fiscal Year. The engagement of an Independent Consultant shall be continued or renewed each Fiscal Year until the Issuer has achieved compliance with the Required Coverage Ratios for a full Fiscal Year. A new or revised report must be delivered by the Independent Consultant in each Fiscal Year of the engagement. The Issuer shall adopt the Independent Consultant's recommended schedule of rates and charges not later than 30 days after the delivery of any such report to the Trustee and shall follow the other recommendations of the Independent Consultant to the extent feasible and lawful.

(d) If the Issuer undertakes the remedial action required by **Section 10.9(b)** and **Section 10.9(c)**, the failure to achieve the Required Coverage Ratios in any one Fiscal Year shall not constitute an Indenture Default; provided, however, that (i) any default in the payment of Debt Service on Secured Obligations shall constitute an Indenture Default under **Section 11.1(a)**; and (ii) the failure to make a Required Transfer or Deposit shall, after notice and the passage of time provided in **Section 11.1(b)**, constitute an Indenture Default under **Section 11.1(b)**. If the Issuer undertakes the remedial action required by **Section 10.9(b)** and **Section 10.9(c)**, the failure to achieve the Required Coverage Ratios in three consecutive Fiscal Years shall not constitute an Indenture Default if the Issuer demonstrates compliance with the Required Coverage Ratios by substituting "115%" for "125%" in the ratio

applicable to Senior Lien Obligations; otherwise, a failure to achieve the Required Coverage Ratios in three consecutive Fiscal Years shall constitute an Indenture Default under *Section 11.1(d)*, without regard to any provisions requiring notice or permitting an opportunity to cure, even if the Issuer is undertaking remedial action.

ARTICLE 11

Defaults and Remedies

SECTION 11.1 Events of Default

Any one or more of the following shall constitute an event of default (an “Indenture Default”) under this Indenture (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) failure to pay Debt Service on any Secured Obligation when such Debt Service becomes due and payable, whether at its scheduled due date, by declaration of acceleration or call for redemption or otherwise; or

(b) failure by the Issuer to make any Required Transfer or Deposit for more than 10 days after notice from the Trustee of such failure; or

(c) failure by the Issuer to restore the Reserve Fund Requirement to its required balance within 13 months of the latest withdrawal from any Secured Obligation Reserve Fund; or

(d) default in the performance, or breach, of any covenant or warranty of the Issuer in this Indenture (other than a covenant or warranty a default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 30 days after written notice of such default or breach, stating that such notice is a “notice of default” hereunder, has been given to the Issuer by the Trustee, or to the Issuer and the Trustee by the Holders of at least 25% in principal amount of either (1) the Outstanding Secured Obligations or (2) the Outstanding Senior Lien Obligations, unless, in the case of a default or breach that cannot be cured by the payment of money, the Issuer initiates efforts to correct such default or breach within 30 days from the receipt of such notice and diligently pursues such action until the default or breach is corrected; or

(e) an Act of Bankruptcy by the Issuer; or

(f) an event of default, as therein defined, shall occur under any Supplemental Indenture and any applicable grace or notice period shall expire.

SECTION 11.2 Remedies

(a) **Acceleration of Maturity by Trustee.** If an Indenture Default exists, the Trustee may declare the principal of all Secured Obligations, the interest accrued thereon or the Accreted Value thereof to be due and payable immediately, by notice to the Issuer, and upon any such declaration such Debt Service shall become immediately due and payable. At any time after such a declaration of acceleration has been made pursuant to this *Section 11.2(a)*, the Holders of a majority in principal amount of the Secured Obligations Outstanding may, by notice to the Issuer and the Trustee, rescind and annul such declaration and its consequences if:

(1) the Issuer has deposited with the Trustee a sum sufficient to pay

(A) all overdue installments of interest on all Secured Obligations,

(B) the principal of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,

(C) the Accreted Value of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,

(D) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Secured Obligations, and

(E) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(2) all Indenture Defaults, other than the nonpayment of the principal or Accreted Value of Secured Obligations which has become due solely by such declaration of acceleration, have been cured or have been waived as provided in *Section 11.10*; and

(3) no less than a majority in principal amount of the Senior Lien Obligations Outstanding consent to any rescission and annulment of acceleration of the Secured Obligations by the Trustee.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereupon.

(b) **Acceleration of Maturity by Holders.** If an Indenture Default exists, the Holders of not less than a majority in principal amount of the Outstanding Secured Obligations may declare the principal of all Secured Obligations, the interest accrued thereon or the Accreted Value thereof to be due and payable immediately, by notice to the Issuer and to the Trustee, and upon any such declaration such Debt Service shall become immediately due and payable, provided that no acceleration of any Secured Obligations may be declared by the Holders thereof unless no less than a majority in principal amount of the Outstanding Senior Lien Obligations declare, or consent to a declaration of, acceleration of the Secured Obligations. At any time after such a declaration of acceleration has been made pursuant to and in compliance with this *Section 11.2(b)*, the Holders of a majority in principal amount of the Secured Obligations Outstanding may, by notice to the Issuer and the Trustee, rescind and annul such declaration and its consequences if:

(1) the Issuer has deposited with the Trustee a sum sufficient to pay

(A) all overdue installments of interest on all Secured Obligations,

(B) the principal of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,

(C) the Accreted Value of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,

(D) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Secured Obligations, and

(E) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(2) all Indenture Defaults, other than the nonpayment of the principal or Accreted Value of Secured Obligations which has become due solely by such declaration of acceleration, have been cured or have been waived as provided in *Section 11.10*; and

(3) no less than a majority in principal amount of the Senior Lien Obligations Outstanding consent to any rescission and annulment of acceleration of the Secured Obligations by the Holders.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereupon.

(c) **Receiver.** If an Indenture Default exists, the Trustee shall be entitled, upon the order of any court of competent jurisdiction, to the appointment of a receiver for the System and the System Revenues. The court appointing such receiver may grant to such receiver all powers and duties permitted by law, including the power to operate and maintain the System, the power to establish rates and charges for utility services provided by the System, and the power to collect all System Revenues.

(d) **Enforcement of the Confirmed Plan of Adjustment.** If an Indenture Default exists, the Trustee shall be entitled to petition the Bankruptcy Court or any other court of competent jurisdiction for an order enforcing the requirements of the Confirmed Plan of Adjustment, including an order compelling the Issuer to take one or more of the following remedial actions:

- (1) increase rates charged for System services so that the System generates sufficient revenues to cure any default under this Indenture, or
- (2) specifically perform the terms of the Rate Resolution or this Indenture.

(e) **Rights and Remedies Cumulative.** No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Secured Obligations is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

(f) **Remedies Subject to Applicable Law.** All rights, remedies and powers provided by this Article may be exercised only to the extent that 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 Indenture invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

SECTION 11.3 Application of Money Collected

(a) So long as an Indenture Default exists and so long as the Trustee or the Holders have not elected the remedies described in *Section 11.2(a)* or *11.2(b)*, any money collected by the Trustee from System Revenues and any other sums then held by the Trustee as part of the General Trust Estate, shall be applied by the Trustee in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any), Accreted Value, or interest on the Secured Obligations:

- (1) **First:** To the payment of all undeducted amounts due the Trustee under *Section 12.7*;
- (2) **Second:** To the payment to the Holders entitled thereto of all installments of interest (but not Accreted Value) then due on Senior Lien Obligations, in the order of the maturity of such amounts; and if the amount available shall not be sufficient to pay in full any particular installment or amount then due, then to payment ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any preference or priority;
- (3) **Third:** To the payment to the Holders entitled thereto of the unpaid principal (or premium, if any), Accreted Value or redemption price of any Senior Lien Obligations which shall have become due (other than Senior Lien Obligations called for redemption for which moneys are held pursuant to the provisions of *Section 7.6* of this Indenture) in the order of their due dates; and if the amount available shall not be sufficient to pay in full all principal (or premium, if any) or Accreted Value due whether at maturity or by call for redemption on any particular date, then to the amount of such principal (or premium, if any) or Accreted Value, ratably, according to the amount of principal (or premium, if any) or Accreted Value due on such date, to the Holders entitled thereto, without any preference or priority;

(4) **Fourth:** To payment of all amounts described in *Section 9.2(a)(2)*, without regard to references to amounts due the Trustee, provided that, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such amounts described in *Section 9.2(a)(2)*, then to the payment of such amounts due, without any preference or priority, ratably according to the aggregate amount so due;

(5) **Fifth:** To the payment to the Holders entitled thereto of all installments of interest (but not Accreted Value) then due on Subordinate Lien Obligations, in the order of the maturity of such amounts; and if the amount available shall not be sufficient to pay in full any particular installment or amount then due, then to payment ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any preference or priority;

(6) **Sixth:** To the payment to the Holders entitled thereto of the unpaid principal (or premium, if any), Accreted Value or redemption price of any Subordinate Lien Obligations which shall have become due (other than Subordinate Lien Obligations called for redemption for which moneys are held pursuant to the provisions of *Section 7.6* of this Indenture) in the order of their due dates; and if the amount available shall not be sufficient to pay in full all principal (or premium, if any) or Accreted Value due whether at maturity or by call for redemption on any particular date, to the amount of such principal (or premium, if any) or Accreted Value, ratably, according to the amount of principal (or premium, if any) or Accreted Value due on such date, to the Holders entitled thereto, without any preference or priority;

(7) **Seventh:** To payment of all amounts described in *Section 9.2(a)(4)*, without regard to references to amounts due the Trustee, provided that, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such amounts described in *Section 9.2(a)(4)*, then to the payment of such amounts due, without any preference or priority, ratably according to the aggregate amount so due;

(8) **Eighth:** To payment of amounts described in *Sections 9.2(a)(5)* through *9.2(a)(10)*, in the order specified in *Section 9.2*.

(b) So long as an Indenture Default exists and only upon the election of remedies described in *Section 11.2(a)* or *11.2(b)* and only for so long as the election of such remedies is not rescinded or annulled, any money collected by the Trustee from System Revenues and any other sums then held by the Trustee as part of the General Trust Estate, shall be applied by the Trustee in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any), Accreted Value or interest, on the Secured Obligations:

(1) **First:** To the payment of all undeducted amounts due the Trustee under *Section 12.7*;

(2) **Second:** To the payment of the whole amount then due and unpaid upon the Outstanding Senior Lien Obligations for principal or Accreted Value and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Senior Lien Obligations) on overdue principal or Accreted Value and on overdue installments of interest (including amounts due any provider of Credit Enhancement); and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Senior Lien Obligations, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and

(3) **Third:** To the payment of the whole amount then due and unpaid upon the Outstanding Subordinate Lien Obligations for principal or Accreted Value and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Subordinate Lien Obligations) on overdue principal or Accreted Value and on overdue installments of interest (including amounts due any

provider of Credit Enhancement); and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Subordinate Lien Obligations, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and

(4) **Fourth:** To the payment of the remainder, if any, to the Issuer or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

So long as an Indenture Default exists, if money in the General Trust Estate shall be insufficient to pay in full the whole amount so due and unpaid upon such Secured Obligations, then such amounts collected shall be applied by the Trustee in the order specified in *Section 11.3(b)(1)* through (4) to the payment of such amounts, and once such funds are insufficient to fully satisfy the Issuer's obligation with respect to amounts payable in the order specified, then such remaining funds shall be distributed by the Trustee on a pro rata basis to persons entitled thereto, without any preference or priority according to the aggregate amount so due. Payments with respect to Secured Obligations owned by or on behalf of the Issuer shall be made only after all other Secured Obligations have been Defeased.

(c) Any money held by the Trustee as part of the Trust Estate that is for the sole benefit of a specified series of Secured Obligations (including the Series 2013 Senior Lien Trust Estate and the Series 2013 Subordinate Lien Trust Estate) shall be applied to the amount due for principal (and premium, if any) and interest on such Secured Obligations without any preference or priority, ratably according to the aggregate amount so due on Secured Obligations of such series. The Trustee may apply funds on deposit for the sole benefit of a specified series of Secured Obligations prior to applying funds on deposit in the General Trust Estate to such series of Secured Obligations.

(d) Notwithstanding the provisions of *Section 9.2* and *Sections 11.3(a), 11.3(b)* and *11.3(c)*, if an Indenture Default exists and is continuing, the Trustee in its discretion (or a receiver on behalf of the Trustee) may apply System Revenues to the extent necessary to:

(1) allow the Issuer to preserve, maintain and operate the System prior to the payment of Debt Service on Secured Obligations and prior to payment of amounts owed providers of Credit Enhancement, or

(2) pay amounts described in *Section 9.2(a)(8)*.

SECTION 11.4 Trustee May Enforce Claims without Possession of Secured Obligations

All rights of action and claims under this Indenture or the Secured Obligations may be prosecuted and enforced by the Trustee without the possession of any of the Secured Obligations or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Secured Obligations subject to and pursuant to the terms of this Indenture.

SECTION 11.5 Limitation on Suits

No Holder of any Secured Obligation shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy hereunder, unless

(a) such Holder has previously given notice to the Trustee of a continuing Indenture Default;

(b) the Holders of not less than a majority in principal amount of the Outstanding Secured Obligations shall have made request to the Trustee to institute proceedings in respect of such Indenture Default in its own name as Trustee hereunder;

(c) the Holders of not less than a majority in principal amount of the Senior Lien Obligations Outstanding deliver such request, or consent to any request, to the Trustee to institute proceedings in respect of such Indenture Default hereunder;

(d) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(e) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and

(f) no direction inconsistent with such request has been given to the Trustee during such 60-day period by either (1) the Holders of a majority in principal amount of the Outstanding Senior Lien Obligations or (2) the Holders of a majority in principal amount of the Outstanding Secured Obligations;

it being understood and intended that no one or more Holders of Secured Obligations shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights or priority of any other Holders of Secured Obligations, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and, except as otherwise expressly provided herein, for the equal and ratable benefit of all Outstanding Secured Obligations according to their respective priority under this Indenture.

SECTION 11.6 Unconditional Right of Holders of Secured Obligations to Payment

Notwithstanding any other provision in this Indenture, the Holder of any Secured Obligation shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Secured Obligation on the Maturity Date expressed in such Secured Obligation (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 11.7 Restoration of Positions

If the Trustee or any Holder of a Secured Obligation has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Holder, then and in every such case the Issuer, the Trustee and the Holders of Secured Obligations shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders of Secured Obligations shall continue as though no such proceeding had been instituted.

SECTION 11.8 Delay or Omission Not Waiver

No delay or omission of the Trustee or of any Holder of Secured Obligations to exercise any right or remedy accruing upon an Indenture Default shall impair any such right or remedy or constitute a waiver of any such Indenture Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Secured Obligations may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by such Holders, as the case may be.

SECTION 11.9 Control by Holders of Senior Lien Obligations

The Holders of a majority in principal amount of the Outstanding Senior Lien Obligations shall have the right, during the continuance of an Indenture Default,

(a) to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Secured Obligations or otherwise, and

(b) to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the

Trustee hereunder, including the power to direct or withhold directions with respect to any remedy available pursuant to *Section 11.2*; provided that

- (1) such direction shall not be in conflict with any rule of law or this Indenture,
- (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and
- (3) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders of either Senior Lien Obligations or Subordinate Lien Obligations not taking part in such direction.

If there are no Senior Lien Obligations Outstanding during the continuance of an Indenture Default, the Holders of a majority in principal amount of Outstanding Subordinate Lien Obligations shall have the right to exercise the powers described in this Section.

SECTION 11.10 Waiver of Past Defaults

(a) Before any judgment or decree for payment of money due has been obtained by the Trustee, the Holders of not less than a majority in principal amount of the Outstanding Secured Obligations may, by notice to the Trustee and the Issuer, on behalf of all Holders of Secured Obligations waive in writing any past default hereunder or under any other Secured Obligation Document and its consequences, except a default

- (1) in the payment of Debt Service on any Secured Obligation, or
- (2) in respect of a covenant or provision hereof which under *Article 13* cannot be modified or amended without the consent of the Holder of each Outstanding Secured Obligation affected;

provided that no waiver of any past default may be effected by the Holders unless not less than a majority in principal amount of the Outstanding Senior Lien Obligations consent to such waiver.

(b) Upon any such waiver, such default shall cease to exist, and any Indenture Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 11.11 Suits to Protect the Trust Estate

The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture and to protect its interests and the interests of the Holders of Secured Obligations in the Trust Estate and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Holders of Secured Obligations or the Trustee.

ARTICLE 12

The Trustee

SECTION 12.1 Certain Duties and Responsibilities of Trustee

- (a) Except during the continuance of an Indenture Default,
- (1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) If an Indenture Default exists, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) The Trustee shall not incur liability for its action or inaction with respect to the performance of its duties and obligations under this Indenture unless such action or inaction constitutes willful misconduct or gross negligence under the circumstances. Liability of the Trustee for such action or inaction shall be further limited as follows:

(1) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in aggregate principal amount of the Outstanding Secured Obligations (or the Holders of a majority in aggregate principal amount of Senior Lien Obligations pursuant to *Section 11.9*) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(3) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Written indemnity in a form satisfactory to the Trustee from any mutual fund with more than \$1 billion under management shall be deemed satisfactory, provided that the required indemnity is also provided from the Holders of the required amount of Outstanding Senior Lien Obligations.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 12.2 Notice of Defaults

(a) If a notice event described in *Section 12.2(b)* exists, the Trustee shall notify Holders of Secured Obligations of such event within 30 days after the Trustee becomes aware of its existence; provided, however, that the Trustee shall be protected in withholding such notice if (1) the notice event has been cured or waived or otherwise ceases to exist before such notice is given; or (2) the Trustee determines in good faith that the withholding of such notice is in the interest of Holders of Secured Obligations.

(b) For purposes of this Section, the following shall constitute “notice events”:

- (1) the occurrence of an Indenture Default; and
- (2) any event which is, or after notice or lapse of time or both would become, an Indenture Default.

SECTION 12.3 Certain Rights of Trustee

Subject to *Section 12.1*:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by a certificate or order executed by an Authorized Issuer Representative.

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate executed by an Authorized Issuer Representative.

(d) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Secured Obligations pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the Issuer, personally or by agent or attorney.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 12.4 Trustee Not Responsible for Statements of Issuer

The provisions of this Indenture and the Secured Obligations, except the certificate of authentication on any Secured Obligations, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Secured Obligations. The Trustee shall have no responsibility for statements of the Issuer contained in any securities disclosure document, continuing disclosure filing, or other public offering document or statement relating to the Warrants or any additional Secured Obligations.

SECTION 12.5 May Hold Secured Obligations

The Trustee in its individual or any other capacity, may become the Holder or pledgee of Secured Obligations and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee.

SECTION 12.6 Money Held in Trust

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent expressly provided in this Indenture or required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise expressly provided in *Article 9*.

SECTION 12.7 Compensation and Reimbursement

(a) The Issuer agrees to pay to the Trustee, or to reimburse the Trustee for, but solely from the Trust Estate:

(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); and

(2) 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 gross negligence or willful misconduct.

(b) As security for the performance of the obligations of the Issuer under this Section, the Trustee shall be secured under this Indenture by a lien prior and senior in right to Subordinate Lien Obligations, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any money held by it as a part of the Trust Estate in accordance with *Section 9.2*; provided that, so long as an Indenture Default exists, the Trustee shall be secured under this Indenture by a lien prior and senior in right to all Secured Obligations, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any money held by it as a part of the Trust Estate in accordance with *Section 11.3*.

(c) The Trustee shall provide the Issuer with itemized invoices for all expenses (including expenses of agents and its counsel) upon written request of the Issuer.

SECTION 12.8 Corporate Trustee Required; Eligibility

There shall at all times be a Trustee hereunder which shall (i) be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state, (ii) be authorized under such laws to exercise corporate trust powers, (iii) be subject to supervision or examination by federal or state authority, and (iv) have an investment grade rating for its long-term deposits from each Rating Agency that provides a rating on any Secured Obligations or, if no Secured Obligations are rated, by any Rating Agency.

SECTION 12.9 Resignation and Removal; Appointment of Successor

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under *Section 12.10*.

(b) The Trustee may resign at any time by giving notice thereof to the Issuer. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by the Holders of a majority in principal amount of the Outstanding Secured Obligations, only if approved by a majority in principal amount of the Outstanding Senior Lien Obligations, with or without cause, by notice delivered to the Trustee and the Issuer. If no Indenture Default exists, the Trustee may be removed at any time by the Issuer, with or without cause, by notice delivered to the Trustee.

(d) If at any time:

(1) the Trustee shall cease to be eligible under *Section 12.8* and shall fail to resign after request therefor by the Issuer or by any Holder of Secured Obligations who has been a bona fide Holder of a Secured Obligation for at least six months, or

(2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property (including any "orderly liquidation authority" under 12 U.S.C. §§ 5381-5394) shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case (i) the Issuer may remove the Trustee, or (ii) any Holder of Secured Obligations who has been a bona fide Holder for at least six months may, only if approved by a majority in principal amount of the Outstanding Senior Lien Obligations, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, a successor Trustee shall be appointed by the Issuer. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed by the Holders of Secured Obligations. If, within one year after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed by the Holders of a majority in principal amount of the Outstanding Secured Obligations, only if such action is approved by a majority in principal amount of the Outstanding Senior Lien Obligations, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer or by such receiver or trustee. If no successor Trustee shall have been so appointed by the Issuer or the Holders and accepted appointment in the manner hereinafter provided, any Holder of Secured Obligations who has been a bona fide Holder for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee only if such action is approved by a majority in principal amount of the Outstanding Senior Lien Obligations.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee, to the Holders of Secured Obligations and to the providers of Credit Enhancement.

SECTION 12.10 Acceptance of Appointment by Successor

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, upon request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in *Section 12.7*. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

(b) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article, to the extent operative.

SECTION 12.11 Merger, Conversion, Consolidation or Succession to Business

Any corporation or association into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall

be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, or any purchaser of the Trustee or business unit exercising the duties of the Trustee under this Indenture shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Secured Obligations shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Secured Obligations so authenticated with the same effect as if such successor Trustee had itself authenticated such Secured Obligations.

SECTION 12.12 Series 2013 Collateral Support Agreement

The Trustee is entering into the Series 2013 Collateral Support Agreement solely at the direction of the Issuer. The Issuer agrees that this Article shall apply to the Trustee's actions, if any, under the Series 2013 Collateral Support Agreement to the same extent as this Indenture. The Trustee is entitled to compensation and reimbursement for its fees and expenses incurred under the Series 2013 Collateral Support Agreement as provided in *Section 12.7*.

ARTICLE 13

Amendment of Secured Obligation Documents

SECTION 13.1 General Requirements for Amendments

The Trustee may, on its own behalf and on behalf of the Holders of Secured Obligations, from time to time enter into, or consent to, an amendment of any Secured Obligation Document only as permitted by this Article.

SECTION 13.2 Amendments Without Consent of Holders of Secured Obligations

An amendment of the Secured Obligation Documents for any of the following purposes may be made, or consented to, by the Trustee without the consent of the Holders of any Secured Obligations:

(a) to correct or amplify the description of any property at any time subject to the lien of the Secured Obligation Documents, or better to assure, convey and confirm unto any secured party any property subject or required to be subjected to the lien of the Secured Obligation Documents, or to subject to the lien of this Indenture, additional property; or

(b) to evidence the succession of another person to any Financing Participant and the assumption by any such successor of the covenants of such Financing Participant (provided that the requirements of this Indenture for such succession and assumption are otherwise satisfied); or

(c) to add to the covenants of any Financing Participant for the benefit of Holders of Secured Obligations and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants an event of default under the Secured Obligation Documents permitting the enforcement of all or any of the several remedies provided therein; provided, however, that with respect to any such covenant, such amendment may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available upon such default; or

(d) to surrender any right or power conferred upon any Financing Participant other than rights or powers for the benefit of Holders of Secured Obligations; or

(e) to cure any ambiguity or to correct any inconsistency, provided such action shall not adversely affect the interests of the Holders of Secured Obligations; or

(f) to appoint a separate agent of the Issuer or the Trustee to perform any one or more of the following functions: (i) registration of transfers and exchanges of Secured Obligations and (ii) payment of

Debt Service on the Secured Obligations; provided, however, that any such agent must be a bank or trust company with long-term obligations, at the time such appointment is made, in one of the three highest rating categories of at least one Rating Agency; or

(g) to facilitate and administer the addition of Credit Enhancement for the benefit of Holders of Secured Obligations, provided that such provisions do not adversely affect the interests of Holders of Secured Obligations not secured by such Credit Enhancement.

SECTION 13.3 Amendments Requiring Consent of All Affected Holders of Secured Obligations

An amendment of the Secured Obligation Documents for any of the following purposes may be entered into, or consented to, by the Trustee only with the consent of the Holder of each Secured Obligation affected:

(a) to change the stated Maturity Date of the principal of, or any installment of interest on, any Secured Obligation, or reduce the principal amount or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which any Secured Obligation or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated Maturity Date thereof (or, in the case of redemption, on or after the redemption date); or

(b) to reduce the percentage in principal amount of the Outstanding Secured Obligations, the consent of whose Holders is required for any amendment of the Secured Obligation Documents, or the consent of whose Holders is required for any waiver provided for in the Secured Obligation Documents; or

(c) to modify or alter the provisions of the proviso to the definition of the term "Outstanding"; or

(d) to modify any of the provisions of this Section or *Section 11.10*, except to increase any percentage provided thereby or to provide that certain other provisions of the Secured Obligation Documents cannot be modified or waived without the consent of the Holder of each Secured Obligation affected thereby; or

(e) to permit the creation of any lien ranking prior to or on a parity with the lien of the Secured Obligation Documents with respect to any of the Trust Estate or terminate the lien of the Secured Obligation Documents on any property at any time subject hereto or deprive the Holder of any Secured Obligation of the security afforded by the lien of the Secured Obligation Documents; or

(f) to change the priority of payment of Secured Obligations, including the provisions of *Section 9.2* and *Section 11.3* regarding priority of payment of Senior Lien Obligations and Subordinate Lien Obligations; or

(g) to eliminate, reduce or delay the obligation of the Issuer to make payments at times and in amounts sufficient to pay Debt Service on the Secured Obligations.

SECTION 13.4 Amendments Requiring Majority Consent of Holders of Secured Obligations

An amendment of the Secured Obligation Documents for any purpose not described in *Sections 13.2* or *13.3* may be entered into, or consented to, by the Trustee only with the consent of both (a) the Holders of a majority in principal amount of Senior Lien Obligations Outstanding, and (b) the Holders of a majority in principal amount of all Secured Obligations Outstanding.

SECTION 13.5 Discretion of Trustee

The Trustee may in its discretion determine whether or not any Secured Obligations would be affected by any amendment of the Secured Obligation Documents and any such determination shall be conclusive upon the Holders of all Secured Obligations (including persons deemed Holders by another provision of this Indenture, such as *Section 15.2(e)*), whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not

be liable for any such determination made in good faith, and the Trustee may conclusively rely on an Opinion of Counsel with respect to any such determination, so long as such reliance is in good faith.

SECTION 13.6 Trustee Protected by Opinion of Counsel

In executing or consenting to any amendment permitted by this Article, the Trustee shall be entitled to receive, and, subject to *Section 12.1*, shall be fully protected in relying upon, an Opinion of Counsel, so long as such reliance is in good faith, stating that the execution of such amendment is authorized or permitted by the Secured Obligation Documents.

SECTION 13.7 Amendments Affecting Trustee's Personal Rights

The Trustee may, but shall not be obligated to, enter into any amendment that affects the Trustee's own rights, duties or immunities under the Secured Obligation Documents.

SECTION 13.8 Effect on Holders of Secured Obligations

Upon the execution of any amendment under this Article, every Holder of Secured Obligations theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 13.9 Reference in Secured Obligations to Amendments

Secured Obligations authenticated and delivered after the execution of any amendment under this Article shall, if required by such amendment or by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such amendment. New Secured Obligations so modified as to conform to any such amendment shall, if required by such amendment or by the Trustee, be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Secured Obligations.

SECTION 13.10 Amendments Not to Affect Tax Exemption

No amendment may be made to the Secured Obligation Documents unless the Trustee receives a Favorable Tax Opinion.

ARTICLE 14

Defeasance

SECTION 14.1 Payment of Indenture Indebtedness; Satisfaction and Discharge of Indenture

(a) Whenever all Indenture Indebtedness has been Defeased, then (i) this Indenture and all the liens, rights and interests created hereby shall cease, terminate and become null and void (except as to any surviving rights of transfer or exchange of Secured Obligations herein or therein provided for), and (ii) the Trustee shall, upon the request of the Issuer, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer and deliver to the Issuer or upon the order of the Issuer, all cash and securities then held by it hereunder as a part of the Trust Estate.

(b) A Secured Obligation shall be deemed "Defeased" if

(1) such Secured Obligation has been cancelled by the Trustee or delivered to the Trustee for cancellation, or

(2) such Secured Obligation shall have matured or been called for redemption and, on such Maturity Date or redemption date, money for the payment of Debt Service on such Secured Obligation is held by the Trustee in trust for the benefit of the person entitled thereto, or

(3) a trust for the payment of such Secured Obligation has been established in accordance with *Section 14.2*.

(c) Indenture Indebtedness other than Debt Service on the Secured Obligations shall be deemed “Defeased” whenever the Issuer has paid, or made provisions satisfactory to the Trustee for payment of, all such Indenture Indebtedness.

SECTION 14.2 Trust for Payment of Debt Service

(a) The Issuer may provide for the payment of any Secured Obligation by establishing a trust for such purpose with the Trustee and depositing therein cash and/or Federal Securities which (assuming the due and punctual payment of the principal of and interest on such Federal Securities, but without reinvestment) will provide funds sufficient to pay the Debt Service on such Secured Obligation as the same becomes due and payable until the Maturity or redemption of such Secured Obligation; provided, however, that:

(1) Such Federal Securities must not be subject to redemption prior to their respective maturities at the option of the issuer of such Securities.

(2) If such Secured Obligation is to be redeemed prior to its Maturity Date, either (i) the Trustee shall receive evidence that notice of such redemption has been given in accordance with the provisions of this Indenture and such Secured Obligation or (ii) the Issuer shall confer on the Trustee irrevocable authority for the giving of such notice.

(3) If such Secured Obligation bears interest at a variable rate, such trust must provide for payment of interest at the maximum rate payable on such Secured Obligation until such Secured Obligation is to be retired.

(4) Such Secured Obligation shall not be subject to repurchase by the Issuer or the provider of any Credit Enhancement with respect to such Secured Obligation during the period such trust will be in effect.

(5) Prior to the establishment of such trust the Trustee must receive a Favorable Tax Opinion.

(6) Prior to the establishment of such trust, the Trustee must receive verification from an independent third-party verification agent, experienced in the preparation of such reports, which may be an Independent Certified Public Accountant demonstrating that the principal and interest payments on the Federal Securities in such trust, without reinvestment, together with the cash balance in such trust remaining after purchase of such Securities, will be sufficient to make the required payments from such trust.

(b) Any trust established pursuant to this Section may provide for payment of less than all Secured Obligations outstanding including less than all Secured Obligations of any series or maturity; provided that, so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, the provisions of this Section shall be subject in all respects to **Section 15.5**.

(c) If any trust provides for payment of less than all Secured Obligations of the same Tenor, the Secured Obligations of such Tenor to be paid from the trust shall be selected by the Trustee by lot by such method as shall provide for the selection of portions (in Authorized Denominations) of the principal of Secured Obligations of such Tenor of a denomination larger than the smallest Authorized Denomination or as otherwise required by the Book Entry System. Such selection shall be made within seven days after such trust is established. This selection process shall be in lieu of the selection process otherwise provided with respect to redemption of Secured Obligations. After such selection is made, Secured Obligations that are to be paid from such trust (including Secured Obligations issued in exchange for such Secured Obligations pursuant to the transfer or exchange provisions of this Indenture) shall be identified by a separate CUSIP number or other designation satisfactory to the Trustee. The Trustee shall notify Holders whose Secured Obligations (or portions thereof) have been selected for payment from such trust and shall direct such Holders to surrender their Secured Obligations to the Trustee in

exchange for Secured Obligations with the appropriate designation. The selection of Secured Obligations for payment from such trust pursuant to this Section shall be conclusive and binding on the Financing Participants.

(d) Cash and/or Federal Securities deposited with the Trustee pursuant to this Section shall not be a part of the Trust Estate but shall constitute a separate, irrevocable trust fund for the benefit of the Holder of the Secured Obligation to be paid from such fund.

ARTICLE 15

Provisions Relating to the Series 2013 Insurer

SECTION 15.1 Applicability of this Article

(a) Notwithstanding anything to the contrary contained in this Indenture, so long as the Series 2013 Insurance Policy remains in full force and effect and the Series 2013 Insurer is not then in payment default under the Series 2013 Insurance Policy, the provisions of this *Article 15* shall apply for the benefit of the Series 2013 Insurer; provided that to the extent that the Series 2013 Insurer has made any payment of principal of or interest on the Insured Series 2013 Warrants it shall retain its rights of subrogation hereunder and under the Series 2013 Insurance Policy.

(b) For purposes of this *Article 15*, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meaning indicated:

“**Series 2013 Fiscal Agent**” means the Series 2013 Insurer’s agent, as designated in writing to the Trustee pursuant to the Series 2013 Insurance Policy.

“**Series 2013 Insurer Advances**” means a sum equal to the total of all amounts paid by the Series 2013 Insurer under the Series 2013 Insurance Policy.

“**Series 2013 Insurer Reimbursement Amounts**” means interest on Series 2013 Insurer Advances from the date paid by the Series 2013 Insurer until payment thereof in full, payable to the Series 2013 Insurer at the Series 2013 Late Payment Rate.

“**Series 2013 Late Payment Rate**” means the greater of (A) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in New York, New York as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (B) the then applicable highest rate of interest on the Insured Series 2013 Warrants; provided that the Series 2013 Late Payment Rate shall never exceed 12% per annum. The Series 2013 Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

“**Series 2013 Payment Date**” means any date scheduled for the regular payment of interest or principal on the Insured Series 2013 Warrants.

“**Series 2013 Policy Payments Account**” means the separate special purpose trust account for the benefit of Holders of the Insured Series 2013 Warrants established by the Trustee in connection with a claim under the Series 2013 Insurance Policy.

SECTION 15.2 Requirements of the Series 2013 Insurer

(a) The Series 2013 Insurer shall be deemed to be the sole holder of the Insured Series 2013 Warrants for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Insured Series 2013 Warrants are entitled to take pursuant to this Indenture.

(b) Notwithstanding the provisions of *Section 11.2*, the maturity of Insured Series 2013 Warrants shall not be accelerated without the consent of the Series 2013 Insurer and in the event the maturity of the Insured

Series 2013 Warrants is accelerated, the Series 2013 Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Series 2013 Insurer's obligations under the Series 2013 Insurance Policy with respect to such Insured Series 2013 Warrants shall be fully discharged.

(c) No grace period for a covenant default under this Indenture shall exceed 60 days or be extended for more than 90 days without the prior written consent of the Series 2013 Insurer. No grace period shall be permitted for payment defaults without the prior written consent of the Series 2013 Insurer.

(d) The Series 2013 Insurer is a third party beneficiary to this Indenture.

(e) Any amendment, supplement, or modification to this Indenture or any Credit Enhancement applicable to Secured Obligations made pursuant to *Article 13* that requires the consent of Holders of the Insured Series 2013 Warrants or materially adversely affects the rights and interests of the Series 2013 Insurer shall be subject to the prior written consent of the Series 2013 Insurer.

(f) The rights granted to the Series 2013 Insurer under this Indenture to request, consent to or direct any action are rights granted to the Series 2013 Insurer in consideration of its issuance of the Series 2013 Insurance Policy.

(g) Amounts paid by the Series 2013 Insurer under the Series 2013 Insurance Policy shall not be deemed a payment of the principal of, Accreted Value of or interest on the Insured Series 2013 Warrants for purposes of this Indenture, and the Insured Series 2013 Warrants on which payments are made by the Series 2013 Insurer shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with this Indenture. This Indenture shall not be discharged with respect to the Insured Series 2013 Warrants unless all amounts due or to become due to the Series 2013 Insurer have been paid in full or duly provided for.

(h) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Insured Series 2013 Warrants or the rights of the Holders of the Insured Series 2013 Warrants, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Series 2013 Insurance Policy.

(i) At least 5 Business Days prior to Defeasance of the Insured Series 2013 Warrants, the Issuer shall cause to be delivered to the Series 2013 Insurer the following:

(1) a draft verification report furnished pursuant to *Section 14.2(a)(6)* that includes the Series 2013 Insurer as an addressee or upon which the Series 2013 Insurer is expressly entitled to rely upon such report;

(2) a draft escrow agreement or other documentation evidencing the trust to be established under *Section 14.2*; and

(3) a draft opinion of nationally recognized bond counsel addressed to the Series 2013 Insurer to the effect that, as a result of the Defeasance contemplated with respect to the Insured Series 2013 Warrants, the Insured Series 2013 Warrants will be no longer Outstanding under this Indenture.

The Issuer shall provide the Series 2013 Insurer final copies of the documents described in this *Section 15.2(i)* within a commercially reasonable period after Defeasance of the Insured Series 2013 Warrants.

SECTION 15.3 Claims and Payments under the Series 2013 Insurance Policy

(a) If, on the third Business Day prior to the related scheduled Series 2013 Payment Date, there is not on deposit with the Trustee, after making all deposits, transfers, and draws on Credit Enhancement (other than the Series 2013 Insurance Policy) required under this Indenture, moneys sufficient to pay the principal of, Accreted Value of and interest on the Insured Series 2013 Warrants due on such Series 2013 Payment Date, the Trustee shall

give notice to the Series 2013 Insurer and to the Series 2013 Insurer Agent (if any) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Series 2013 Payment Date, there continues to be a deficiency in the amount available to pay the principal of, Accreted Value of, and interest on the Insured Series 2013 Warrants due on such Series 2013 Payment Date, the Trustee shall make a claim under the Series 2013 Insurance Policy and give notice to the Series 2013 Insurer and the Series 2013 Insurer Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Series 2013 Warrants and the amount required to pay principal or Accreted Value of the Insured Series 2013 Warrants, if any, confirmed in writing to the Series 2013 Insurer and the Series 2013 Insurer Agent (if any) by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Series 2013 Insurance Policy.

(b) The Trustee shall designate any portion of payment of principal or Accreted Value of Insured Series 2013 Warrants paid by the Series 2013 Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount or Accreted Value of Insured Series 2013 Warrants registered to the then current holders of the Insured Series 2013 Warrants, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Series 2013 Warrant to the Series 2013 Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal or Accreted Value so paid; provided that the Trustee's failure to so designate any payment or issue any replacement Insured Series 2013 Warrants shall have no effect on the amount of principal, Accreted Value or interest payable by the Issuer on any Insured Series 2013 Warrants or the subrogation rights of the Series 2013 Insurer.

(c) The Trustee shall keep a complete and accurate record of all funds deposited by the Series 2013 Insurer into the Series 2013 Policy Payments Account and the allocation of such funds to payment of interest on and principal or Accreted Value of any Insured Series 2013 Warrants. The Series 2013 Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(d) Upon payment of a claim under the Series 2013 Insurance Policy, the Trustee shall establish a Series 2013 Policy Payments Account in the Series 2013 Senior Lien Debt Service Fund over which the Trustee shall have exclusive control and the sole right of withdrawal. The Trustee shall receive any amount paid under the Series 2013 Insurance Policy in trust on behalf of Holders of the Insured Series 2013 Warrants and shall deposit any such amount in the Series 2013 Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Holders of the Insured Series 2013 Warrants in the same manner as principal or Accreted Value and interest payments are to be made with respect to the Insured Series 2013 Warrants under the sections of this Indenture regarding payment of Insured Series 2013 Warrants. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

(e) Notwithstanding anything in this Indenture to the contrary:

(1) the Issuer agrees to pay to the Series 2013 Insurer a sum equal to the total Series 2013 Insurer Advances and Series 2013 Insurer Reimbursement Amounts,

(2) the Series 2013 Insurer Reimbursement Amounts shall be secured by a lien on and pledge of the General Trust Estate and the Series 2013 Senior Lien Trust Estate on a parity with the lien provided the Insured Series 2013 Warrants; and

(3) the Series 2013 Insurer Reimbursement Amounts shall be payable from the Senior Lien Debt Service Fund.

(f) Funds held in the Series 2013 Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Series 2013 Policy Payments Account following a Series 2013 Payment Date shall promptly be remitted to the Series 2013 Insurer.

(g) The Series 2013 Insurer shall, to the extent it makes any payment of principal or Accreted Value of or interest on the Insured Series 2013 Warrants, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Series 2013 Insurance Policy.

(h) The Issuer shall pay or reimburse the Series 2013 Insurer any and all reasonable charges, fees, costs and expenses that the Series 2013 Insurer may reasonably pay or incur in connection with (1) the administration, enforcement, defense or preservation of any rights or security in this Indenture or any Credit Enhancement applicable to the Insured Series 2013 Warrants, (2) the pursuit of any remedies under this Indenture or otherwise afforded by law or equity, (3) any amendment, waiver or other action with respect to, or related to, this Indenture or whether or not executed or completed, or (4) any litigation or other dispute in connection with this Indenture or the transactions contemplated thereby, other than costs resulting from the failure of the Series 2013 Insurer to honor its obligations under the Series 2013 Insurance Policy.

(i) The Series 2013 Insurer shall be entitled to pay principal or interest on the Insured Series 2013 Warrants that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Series 2013 Insurance Policy), whether or not the Series 2013 Insurer has received a Notice of Nonpayment (as such terms are defined in the Series 2013 Insurance Policy) or a claim upon the Series 2013 Insurance Policy.

SECTION 15.4 Reporting Requirements to Series 2013 Insurer

(a) The notice address of the Series 2013 Insurer is:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director – Surveillance,
Re: Policy No. [_____] ,
Telephone: (212) 826 0100;
Telecopier: (212) 339 3556.

In each case in which notice or other communication refers to an Indenture Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the contact information listed in this Section and shall be marked to indicate “URGENT MATERIAL ENCLOSED.”

(b) The Series 2013 Insurer shall be provided with the following information:

(1) The Issuer shall provide: (A) annual audited financial statements within 270 days after the end of the Issuer’s Fiscal Year (together with a certification of the Issuer that it is not aware of any default or Indenture Default under this Indenture), and (B) the Issuer’s annual budget within 30 days after the approval thereof together with such other information, data or reports as the Series 2013 Insurer shall reasonably request from time to time;

(2) The Trustee shall provide notice of any draw upon the Series 2013 Senior Lien Reserve Fund within five Business Days after knowledge thereof other than (A) withdrawals of amounts in excess of the Series 2013 Senior Lien Reserve Fund Requirement and (B) withdrawals in connection with a refunding of the Senior Lien Obligations;

(3) The Issuer shall provide notice of any default known to the Issuer within five Business Days after knowledge thereof;

(4) The Issuer shall provide prior notice of the advance refunding or redemption of any of the Insured Series 2013 Warrants, including the principal amount, maturities and CUSIP numbers thereof;

(5) The Issuer shall provide notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(6) The Issuer shall provide a full, complete copy of the transcript of all proceedings relating to the execution of any amendment of or supplement to this Indenture; and

(7) The Issuer shall provide a copy of all reports, notices and correspondence delivered to the Holders of the Insured Series 2013 Warrants by it under the terms of this Indenture.

(c) To the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Insured Series 2013 Warrants, all information furnished pursuant to such agreements also shall be provided to the Series 2013 Insurer, simultaneously with the furnishing of such information; provided that if the information described in this paragraph is posted on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") System, the Issuer shall only need provide the Series 2013 Insurer notice that such information is available from EMMA.

(d) The Issuer will permit the Series 2013 Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Series 2013 Insurer may reasonably request regarding the security for the Insured Series 2013 Warrants with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Series 2013 Insurer to have access to the facilities, books and records of the Issuer on any Business Day upon reasonable prior notice.

(e) If an Indenture Default has occurred and is continuing and the Trustee (or a receiver acting on behalf of the Trustee, if any) takes action pursuant to *Section 11.3(d)*, the Trustee (or a receiver acting on behalf of the Trustee, if any) will use commercially reasonable efforts to permit the Series 2013 Insurer to have access to the books and records relating to the System in its possession (or in the possession of a receiver acting on behalf of the Trustee, if any) on any Business Day upon reasonable prior notice.

SECTION 15.5 Maintenance of Ratio between Senior Lien Obligations and Subordinate Lien Obligations

For so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, the Issuer shall not take the following actions, without the prior written consent of the Series 2013 Insurer:

(a) Call Secured Obligations for optional redemption so that the resulting ratio of Outstanding Senior Lien Obligations to all Secured Obligations Outstanding immediately after giving effect to such optional redemption exceeds the ratio specified for any one Fiscal Year, as provided in *Exhibit 15.5*; or

(b) Purchase, or cause to be purchased, Secured Obligations pursuant to *Section 6.2* or *7.9* so that the resulting ratio of Outstanding Senior Lien Obligations to all Secured Obligations Outstanding immediately after giving effect to such purchases exceeds the ratio specified for any one Fiscal Year, as provided in *Exhibit 15.5*.

SECTION 15.6 Additional Covenants of the Issuer

(a) Subject to the provisions of *Section 15.6(b)*, the Issuer covenants and agrees with the Series 2013 Insurer as follows:

(1) The Issuer shall not enter into any interest rate exchange agreement, cap, collar, floor, ceiling, or other agreement or instrument involving reciprocal payment obligations between the Issuer and a counterparty based on interest rates applied to a notional amount of principal entered into by or on behalf of the Issuer and payable from or secured in whole or in part by the Trust Estate, without the prior written consent of the Series 2013 Insurer. As evidenced by the issuance and delivery of the Series 2013 Insurance Policy to the Trustee and for the avoidance of doubt, the Series 2013 Insurer has consented to the issuance of the Reserve Fund Warrants in the maximum amount allowed for under the First Supplemental Indenture.

(2) The maximum principal amount of Unsecured Obligations payable in any one Fiscal Year shall not exceed 25% of the remaining proceeds of System Revenues after all payments and deposits have been made in accordance with *Sections 9.2(a)(1)* through *9.2(a)(8)*.

(3) The Issuer shall obtain the prior written consent of the Series 2013 Insurer for any transfer of the System described in *Section 10.6(a)*, unless upon such transfer the Insured Series 2013 Warrants shall be irrevocably paid in full or Defeased.

(4) The insurance described in *Section 10.8(j)(1)* shall be provided by an insurer (1) that is rated at least "A-" or higher (or the equivalent) by any Rating Agency or (2) that is assigned a financial strength rating of "B-" or higher by A.M. Best Company, Inc.

(5) The Issuer shall obtain the prior written consent of the Series 2013 Insurer for any transfer of operating assets that would exceed the limitations described in *Section 10.8(d)(4)*.

(b) Upon and for so long as the Insured Series 2013 Warrants are rated "A-" (or its equivalent), or better, without regard to any Credit Enhancement, by any one Rating Agency, the covenants provided for in *Sections 15.6(a)(2)* and *(a)(4)* shall no longer be applicable to the Issuer.

ARTICLE 16

Miscellaneous

SECTION 16.1 Notices to Financing Participants

(a) Notices and other communications to Financing Participants pursuant to this Indenture must be in writing except as otherwise expressly provided in this Indenture. Any specific reference in this Indenture to "written notice" shall not be construed to mean that any other notice may be oral, unless such oral notice is specifically permitted by this Indenture under the circumstances.

(b) Notices and other communications pursuant to this Indenture may be delivered by any method provided in the directions for notices attached as *Exhibit 16.1(b)*. A Financing Participant may change its directions for notices by giving notice to the other Financing Participants.

(c) Any notice shall be deemed given when actually received by the Financing Participant to whom the notice is addressed. In addition, any notice sent by certified mail shall be deemed received three Business Days after being sent by certified mail, addressed as provided in the notice directions included in *Exhibit 16.1(b)* or, if the designated Financing Participant has delivered a change notice, as specified in such change notice.

(d) Notice to any Financing Participant required by this Indenture may be waived in writing by such Financing Participant, either before or after the event, and such waiver shall be the equivalent of such notice.

SECTION 16.2 Notices to Holders of Warrants

(a) Notices and other communications to Holders of Warrants pursuant to this Indenture must be in writing except as otherwise expressly provided in this Indenture. Any specific reference in this Indenture to "written notice" shall not be construed to mean that any other notice may be oral, unless such oral notice is specifically permitted by this Indenture under the circumstances.

(b) If the Book Entry System is in effect, notices and other communications to Holders of Warrants will be delivered through the Book Entry System and shall be deemed delivered upon receipt by DTC.

(c) If the Book Entry System is terminated, notices and other communications to Holders of Warrants shall be delivered to each Holder at the address as it then appears in the Warrant Register. If such notice or other communication is sent by certified mail, such notice shall be deemed given when mailed; if given by first-class mail, such notice shall be deemed given five days after mailing.

(d) Any defect in a notice to any particular Holder shall not affect the sufficiency of such notice with respect to other Holders.

(e) Notice to any Holder required by this Indenture may be waived in writing by such Holder, either before or after the event, and such waiver shall be the equivalent of such notice.

(f) Notices to Holders of additional Secured Obligations shall be specified in the Supplemental Indenture pursuant to which such Secured Obligations are issued.

SECTION 16.3 Successors and Assigns

All covenants and agreements in this Indenture by the Issuer shall bind its successors and assigns, whether so expressed or not.

SECTION 16.4 Benefits of Indenture

Except as expressly provided herein (including, without limitation, *Article 15*), nothing in this Indenture or in the Secured Obligations, express or implied, shall give to any person, other than the parties hereto and their successors hereunder and the Holders of the Secured Obligations any benefit or legal or equitable right, remedy or claim under this Indenture.

SECTION 16.5 Rights or Powers of Providers of Credit Enhancement

(a) If expressly permitted by the terms of this Indenture (including any Supplemental Indenture with respect to Secured Obligations), the provider of any Credit Enhancement with respect to Secured Obligations may, on behalf of the Holders of the Secured Obligations secured by such Credit Enhancement (and without notice to or consent of such Holders), exercise the following rights and powers of such Holders under this Indenture:

(a) the right or power to provide directions with respect to the pursuit of remedies available to the Trustee if an Indenture Default exists, including the right or power to direct the acceleration of the Maturity Date of Secured Obligations;

(b) the right or power to waive any Indenture Default and its consequences; and

(c) the right or power to consent to, or approve, any amendment of this Indenture requiring the consent of Holders of Secured Obligations, other than an amendment described in *Section 13.3*;

provided, however, that the provider of such Credit Enhancement may not exercise such rights and powers if the provider of such Credit Enhancement has defaulted under the terms of such Credit Enhancement or any similar instrument.

(b) No rights described in *Section 16.5(a)* are provided JPMorgan Chase Bank pursuant to this Indenture, except as may be provided in the First Supplemental Indenture.

SECTION 16.6 Calculation of Percentage of Holders Taking Action

Notwithstanding any provision of this Indenture, the Accreted Value of an Outstanding Capital Appreciation Warrant or of an Outstanding Convertible Capital Appreciation Warrant (prior to the applicable Current Interest Commencement Date) shall be considered principal for the purpose of determining whether the Holders of a particular percentage in principal amount of Outstanding Secured Obligations shall have taken any action, including whether the Holders have given any direction, required any action, exercised any right or remedy, waived any default, removed any Trustee, appointed any successor Trustee or consented to any amendment of this Indenture.

SECTION 16.7 Amounts Due and Unpaid After Act of Bankruptcy

For purposes of the priority as between Senior Lien Obligations and Subordinate Lien Obligations under *Section 11.3*, amounts due and unpaid on the Senior Lien Obligations shall include all interest, fees and expenses accrued or accruing (or that would, absent an Act of Bankruptcy by the Issuer, accrue) after any Act of Bankruptcy by the Issuer in accordance with, at the time contemplated by and at the rate, if any, specified herein, whether or not the claim for such interest, fees or expenses is allowed, allowable, recognized or provable as a claim in any applicable bankruptcy, insolvency, reorganization, or similar proceeding with respect to the Issuer, and whether or not any underlying Senior Lien Obligations are modified in any fashion during such proceeding (including pursuant to 11 U.S.C. § 1129(b)). In the event that the Holders of the Subordinate Lien Obligations receive any payments or funds in an amount in error or inconsistent with the rights of the Holders of the Senior Lien Obligations pursuant to, and in accordance with the priorities set forth in *Section 3.1*, *Section 11.3* and this *Section 16.7*, the Holders of the Senior Lien Obligations shall have a cause of action to collect any such amount.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this instrument to be duly executed by their duly authorized officers.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____

Title: _____

This instrument was prepared by:

J. Foster Clark
J. Hobson Presley, Jr.
J. Thomas Longino
Balch & Bingham LLP
1901 Sixth Avenue North, Suite 1500
Birmingham, Alabama 35203-4642
(205) 251-8100

STATE OF ALABAMA

JEFFERSON COUNTY

I, _____, a Notary Public in and for said County in said State, do hereby certify that _____, whose name as President, Jefferson County Commission, of JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama, 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 political subdivision.

Given under my hand this the _____ day of December, 2013.

Notary Public

NOTARIAL SEAL

My commission expires: _____

STATE OF _____

_____ COUNTY

I, _____, a Notary Public in and for said County, in said State, hereby certify that _____, whose name as _____ of WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as trustee, 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 banking association.

Given under my hand this the _____ day of December, 2013.

Notary Public

NOTARIAL SEAL

My commission expires: _____

EXHIBIT 5.1(c)

Form of Series 2013-A Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Senior Lien Sewer Revenue Current Interest Warrant, Series 2013-A

Number:

Date of Initial Delivery:

Maturity Date:

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest hereon from the date of initial delivery of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the applicable interest rate specified above; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of warrants issued by the Issuer under the Indenture in the aggregate principal amount of [\$375,000,000] and designated "Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A" (the "Series 2013-A Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Senior Lien Trust Estate (together, the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-A Warrants are being issued as Senior Lien Obligations and are also referred to in the Indenture as the "Series 2013 Senior Lien Obligations". The Indenture permits the issuance of additional Senior Lien Obligations secured on a parity of lien with the Series 2013 Senior Lien Obligations, upon compliance with certain provisions of the Indenture. Subordinate Lien Obligations are being issued simultaneously with the issuance of the Series 2013-A Warrants and the Indenture permits the issuance of additional Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Senior Lien Obligations is further secured by the Series 2013 Senior Lien Trust Estate, which includes the Series 2013 Senior Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Senior Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-A Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-A Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-A Warrants.

Applicable Interest Rate

The applicable interest rate for this warrant is specified above.

Computation of Interest Accrual

Interest on Series 2013-A Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates

Interest on Series 2013-A Warrants is payable on the following dates: *[specify from Indenture]*.

Regular Record Date for Interest Payments

If the Book Entry System is in effect, the Trustee shall pay interest on this warrant to DTC, and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Interest Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the

Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

Series 2013-A Warrants may be in denominations of \$5,000 or any integral multiple thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-A Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all Series 2013-A Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-A Warrants to be redeemed.

Notice of redemption of any Series 2013-A Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-A Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-A Warrants (or portions thereof) identified in such notice, and any Series 2013-A Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-A Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-A Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-A Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-A Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-A Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-A Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-A Warrant, without service charge, a new Series 2013-A Warrant or Series 2013-A Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate

principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2013-A Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-A Warrants that have been called for optional redemption in lieu of retiring such Series 2013-A Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-A Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-A Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-A Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-A Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-A Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Series 2013-A Warrants referred to in the within-mentioned Indenture. The Series 2013-A Warrants have been issued as Senior Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.2(c)

Form of Series 2013-B Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Senior Lien Sewer Revenue Capital Appreciation Warrant, Series 2013-B

Number:

Date of Initial Delivery:

Yield to Maturity:

Maturity Date:

Accreted Value at Maturity:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest that shall accrete thereon from the date of initial delivery of this warrant to the Maturity Date or earlier redemption; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of warrants issued by the Issuer under the Indenture in the Initial Principal Amount of [\$55,693,095.85] and designated "Senior Lien Sewer Revenue Capital Appreciation Warrants, 2013-B" (the "Series 2013-B Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Senior Lien Trust Estate (the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-B Warrants are being issued as Senior Lien Obligations and are also referred to in the Indenture as the "Series 2013 Senior Lien Obligations". The Indenture permits the issuance of additional Senior Lien Obligations secured on a parity of lien with the Series 2013 Senior Lien Obligations, upon compliance with certain provisions of the Indenture. Subordinate Lien Obligations are being issued simultaneously with the issuance of the Series 2013-B Warrants and the Indenture permits the issuance of additional Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Senior Lien Obligations is further secured by the Series 2013 Senior Lien Trust Estate, which includes the Series 2013 Senior Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Senior Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-B Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-B Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-B Warrants.

Accretion of Interest

This warrant is payable only at maturity or optional redemption and will not pay interest on a current basis. Interest on this warrant shall accrete in value from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Maturity Date or earlier redemption at the effective per annum rate required to produce the yield to maturity indicated above.

Computation of Interest Accretion

Interest on this warrant shall accrete on the basis of a 360-day year with 12 months of 30 days each. Accretion between such dates shall be determined using linear interpolation.

Interest on Overdue Payments

Interest shall be payable on overdue Accreted Value on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

The Series 2013-B Warrants may be in denominations of *[specify from Indenture]*.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-B Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all of the Series 2013-B Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-B Warrants to be redeemed.

Notice of redemption of any Series 2013-B Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-B Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-B Warrants (or portions thereof) identified in such notice, and any Series 2013-B Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-B Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-B Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-B Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-B Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-B Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-B Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-B Warrant, without service charge, a new Series 2013-B Warrant or Series 2013-B Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate Accreted Value equal to and in exchange for the unredeemed portion of the Accreted Value of the Series 2013-B Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-B Warrants that have been called for optional redemption in lieu of retiring such Series 2013-B Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations, or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-B Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-B Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-B Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-B Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-B Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Warrants referred to in the within-mentioned Indenture. The Series 2013-B Warrants have been issued as Senior Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.2(e)

**Schedule of Compound Accreted Value
for
Series 2013-B Warrants**

[To be added]

EXHIBIT 5.3(c)

Form of Series 2013-C Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Senior Lien Sewer Revenue Convertible Capital Appreciation Warrant, Series 2013-C

Number:

Date of Initial Delivery:

**Yield to Current Interest
Commencement Date:**

Current Interest Commencement Date:

**Accreted Value at Current Interest
Commencement Date:**

Maturity Date:

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) (A) prior to the Current Interest Commencement Date specified above, the principal sum of

_____ **DOLLARS**

and to pay interest that shall accrete thereon from the date of initial delivery of this warrant to the Current Interest Commencement Date, and (B) from and after the Current Interest Commencement Date (the date on which the Accreted Value of this warrant shall be converted to principal), the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest hereon from the Current Interest Commencement Date of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the applicable interest rate specified above; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of Warrants issued by the Issuer under the Indenture in the Initial Principal Amount of [\$69,308,272.15] and designated "Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C" (the "Series 2013-C Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Senior Lien Trust Estate (together, the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-C Warrants are being issued as Senior Lien Obligations and are also referred to in the Indenture as the "Series 2013 Senior Lien Obligations". The Indenture permits the issuance of additional Senior Lien Obligations secured on a parity of lien with the Series 2013 Senior Lien Obligations, upon compliance with certain provisions of the Indenture. Subordinate Lien Obligations are being issued simultaneously with the issuance of the Series 2013-C Warrants and the Indenture permits the issuance of additional Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Senior Lien Obligations is further secured by the Series 2013 Senior Lien Trust Estate, which includes the Series 2013 Senior Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Senior Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-C Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-C Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-C Warrants.

Accretion of Interest Prior to Current Interest Commencement Date

Prior to the Current Interest Commencement Date, this warrant is payable only at optional redemption and will not pay interest on a current basis. Interest on this warrant shall accrete in value from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Current Interest Commencement Date at the effective per annum rate required to produce the yield to Current Interest Commencement Date indicated above.

Computation of Interest Accretion Prior to Current Interest Commencement Date

Prior to the Current Interest Commencement Date, interest on this warrant shall accrete on the basis of a 360-day year with 12 months of 30 days each. Accretion between such dates shall be determined using linear interpolation.

Applicable Interest Rate From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, the applicable interest rate for this warrant is specified above.

Computation of Interest Accrual From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, interest on the Series 2013-C Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates from the Current Interest Commencement Date

Interest on Series 2013-C Warrants accruing from and after the Current Interest Commencement Date is payable on the following dates: *[specify from Indenture]*.

Regular Record Date for Interest Payments From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, if the Book Entry System is in effect, the Trustee shall pay interest on this warrant to DTC, and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Interest Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

Prior to the Current Interest Commencement Date, the Series 2013-C Warrants may be in denominations of *[specify from Indenture]*. From and after the Current Interest Commencement Date, the Series 2013-C Warrants may be in denominations of *[specify from Indenture]* or any integral multiple thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-C Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all of the Series 2013-C Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-C Warrants to be redeemed.

Notice of redemption of any Series 2013-C Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-C Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-C Warrants (or portions thereof) identified in such notice, and any Series 2013-C Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-C Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-C Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-C Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-C Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-C Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-C Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-C Warrant, without service charge, a new Series 2013-C Warrant or Series 2013-C Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount or Accreted Value equal to and in exchange for the unredeemed portion of the principal or Accreted Value of the Series 2013-C Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-C Warrants that have been called for optional redemption in lieu of retiring such Series 2013-C Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-C Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-C Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-C Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-C Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-C Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Warrants referred to in the within-mentioned Indenture. The Series 2013-C Warrants have been issued as Subordinate Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.3(e)

**Schedule of Compound Accreted Value
for
Series 2013-C Warrants**

[To be added]

EXHIBIT 5.4(c)

Form of Series 2013-D Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Subordinate Lien Sewer Revenue Current Interest Warrant, Series 2013-D

Number:

Date of Initial Delivery:

Maturity Date:

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest hereon from the date of initial delivery of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the applicable interest rate specified above; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of warrants issued by the Issuer under the Indenture in the aggregate principal amount of [\$750,155,000] and designated "Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D" (the "Series 2013-D Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Subordinate Lien Trust Estate (together, the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-D Warrants are being issued as Subordinate Lien Obligations and are also referred to in the Indenture as "Series 2013 Subordinate Lien Obligations". Senior Lien Obligations and additional Series 2013 Subordinate Lien Obligations have been issued simultaneously with the issuance of the Series 2013-D Warrants. The Indenture permits the issuance of additional Subordinate Lien Obligations secured on a parity of lien with the Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture. The Indenture also permits the issuance of additional Senior Lien Obligations without the consent of Holders of Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Subordinate Lien Obligations is further secured by the Series 2013 Subordinate Lien Trust Estate, which includes the Series 2013 Subordinate Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Subordinate Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-D Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-D Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-D Warrants.

Applicable Interest Rate

The applicable interest rate for this warrant is specified above.

Computation of Interest Accrual

Interest on Series 2013-D Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates

Interest on Series 2013-D Warrants is payable on the following dates: *[specify from Indenture]*.

Regular Record Date for Interest Payments

If the Book Entry System is in effect, the Trustee shall pay interest on this warrant to DTC, and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Interest Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the

Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

Series 2013-D Warrants may be in denominations of \$5,000 or any integral multiple thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-D Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all Series 2013-D Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-D Warrants to be redeemed.

Notice of redemption of any Series 2013-D Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-D Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-D Warrants (or portions thereof) identified in such notice, and any Series 2013-D Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-D Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-D Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-D Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-D Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-D Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-D Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-D Warrant, without service charge, a new Series 2013-D Warrant or Series 2013-D Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate

principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2013-D Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-D Warrants that have been called for optional redemption in lieu of retiring such Series 2013-D Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-D Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-D Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-D Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-D Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-D Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Series 2013-D Warrants referred to in the within-mentioned Indenture. The Series 2013-D Warrants have been issued as Subordinate Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.5(c)

Form of Series 2013-E Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Subordinate Lien Sewer Revenue Capital Appreciation Warrant, Series 2013-E

Number:

Date of Initial Delivery:

Yield to Maturity:

Maturity Date:

Accreted Value at Maturity:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest that shall accrete thereon from the date of initial delivery of this warrant to the Maturity Date or earlier redemption; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of warrants issued by the Issuer under the Indenture in the Initial Principal Amount of [\$71,935,073.95] and designated "Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E" (the "Series 2013-E Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Subordinate Lien Trust Estate (the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or

liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-E Warrants are being issued as Subordinate Lien Obligations and are also referred to in the Indenture as "Series 2013 Subordinate Lien Obligations". Senior Lien Obligations and additional Series 2013 Subordinate Lien Obligations have been issued simultaneously with the issuance of the Series 2013-E Warrants. The Indenture permits the issuance of additional Subordinate Lien Obligations secured on a parity of lien with the Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture. The Indenture also permits the issuance of additional Senior Lien Obligations without the consent of Holders of Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Subordinate Lien Obligations is further secured by the Series 2013 Subordinate Lien Trust Estate, which includes the Series 2013 Subordinate Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Subordinate Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-E Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-E Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-E Warrants.

Accretion of Interest

This warrant is payable only at maturity or optional redemption and will not pay interest on a current basis. Interest on this warrant shall accrete in value from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Maturity Date or earlier redemption at the effective per annum rate required to produce the yield to maturity indicated above.

Computation of Interest Accretion

Interest on this warrant shall accrete on the basis of a 360-day year with 12 months of 30 days each. Accretion between such dates shall be determined using linear interpolation.

Interest on Overdue Payments

Interest shall be payable on overdue Accreted Value on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

The Series 2013-E Warrants may be in denominations of *[specify from Indenture]*.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-E Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all of the Series 2013-E Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-E Warrants to be redeemed.

Notice of redemption of any Series 2013-E Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-E Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-E Warrants (or portions thereof) identified in such notice, and any Series 2013-E Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-E Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-E Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-E Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-E Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-E Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-E Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-E Warrant, without service charge, a new Series 2013-E Warrant or Series 2013-E Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate Accreted Value equal to and in exchange for the unredeemed portion of the Accreted Value of the Series 2013-E Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-E Warrants that have been called for optional redemption in lieu of retiring such Series 2013-E Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations, or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-E Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-E Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-E Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-E Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-E Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Warrants referred to in the within-mentioned Indenture. The Series 2013-E Warrants have been issued as Subordinate Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.5(e)

**Schedule of Compound Accreted Value
for
Series 2013-E Warrants**

[To be added]

EXHIBIT 5.6(c)

Form of Series 2013-F Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrant, Series 2013-F

Number:

Date of Initial Delivery:

**Yield to Current Interest
Commencement Date:**

Current Interest Commencement Date:

**Accreted Value at Current Interest
Commencement Date:**

Maturity Date:

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) (A) prior to the Current Interest Commencement Date specified above, the principal sum of

_____ **DOLLARS**

and to pay interest that shall accrete thereon from the date of initial delivery of this warrant to the Current Interest Commencement Date, and (B) from and after the Current Interest Commencement Date (the date on which the Accreted Value of this warrant shall be converted to principal), the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest hereon from the Current Interest Commencement Date of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the applicable interest rate specified above; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of Warrants issued by the Issuer under the Indenture in the Initial Principal Amount of [\$416,317,273] and designated "Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F" (the "Series 2013-F Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Subordinate Lien Trust Estate (together, the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-F Warrants are being issued as Subordinate Lien Obligations and are also referred to in the Indenture as "Series 2013 Subordinate Lien Obligations". Senior Lien Obligations and additional Series 2013 Subordinate Lien Obligations have been issued simultaneously with the issuance of the Series 2013-F Warrants. The Indenture permits the issuance of additional Subordinate Lien Obligations secured on a parity of lien with the Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture. The Indenture also permits the issuance of additional Senior Lien Obligations without the consent of Holders of Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Subordinate Lien Obligations is further secured by the Series 2013 Subordinate Lien Trust Estate, which includes the Series 2013 Subordinate Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Subordinate Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-F Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-F Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-F Warrants.

Accretion of Interest Prior to Current Interest Commencement Date

Prior to the Current Interest Commencement Date, this warrant is payable only at optional redemption and will not pay interest on a current basis. Interest on this warrant shall accrete in value from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Current Interest Commencement

Date at the effective per annum rate required to produce the yield to Current Interest Commencement Date indicated above.

Computation of Interest Accretion Prior to Current Interest Commencement Date

Prior to the Current Interest Commencement Date, interest on this warrant shall accrete on the basis of a 360-day year with 12 months of 30 days each. Accretion between such dates shall be determined using linear interpolation.

Applicable Interest Rate From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, the applicable interest rate for this warrant is specified above.

Computation of Interest Accrual From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, interest on the Series 2013-F Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates from the Current Interest Commencement Date

Interest on Series 2013-F Warrants accruing from and after the Current Interest Commencement Date is payable on the following dates: *[specify from Indenture]*.

Regular Record Date for Interest Payments From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, if the Book Entry System is in effect, the Trustee shall pay interest on this warrant to DTC, and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Interest Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

Prior to the Current Interest Commencement Date, the Series 2013-F Warrants may be in denominations of *[specify from Indenture]*. From and after the Current Interest Commencement Date, the Series 2013-F Warrants may be in denominations of *[specify from Indenture]* or any integral multiple thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-F Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all of the Series 2013-F Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-F Warrants to be redeemed.

Notice of redemption of any Series 2013-F Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-F Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-F Warrants (or portions thereof) identified in such notice, and any Series 2013-F Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-F Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-F Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-F Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-F Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-F Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-F Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-F Warrant, without service charge, a new Series 2013-F Warrant or Series 2013-F Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount or Accreted Value equal to and in exchange for the unredeemed portion of the principal or Accreted Value of the Series 2013-F Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-F Warrants that have been called for optional redemption in lieu of retiring such Series 2013-F Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-F Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-F Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-F Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-F Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-F Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President, Jefferson County Commission

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Warrants referred to in the within-mentioned Indenture. The Series 2013-F Warrants have been issued as Subordinate Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.6(e)

**Schedule of Compound Accreted Value
for
Series 2013-F Warrants**

[To be added]

EXHIBIT 9.2(b)

Requisition

To: WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee under
the Indenture referred to below No. _____

Re: Trust Indenture dated [Date] (the "Indenture") between Jefferson County, Alabama and the Trustee

Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

Request for Payment by the Issuer

The Issuer hereby requests payment from the Revenue Fund.

of \$ _____ to

Name of payee: _____

Address of payee: _____

Such payment will be made for the following purpose(s):

(Note: The Issuer is to describe purpose in reasonable detail. The Trustee shall be entitled to rely upon the certification by the Issuer in the following paragraph with respect to the purpose of this payment and shall not be required to verify that such purpose is authorized by the Indenture or that such purpose will not cause or result in a violation of any covenant in the Tax Certificate and Agreement.)

The Issuer hereby certifies that: (a) such payment is for a purpose permitted in **Section 9.2(a)(8) or (9)** of the Indenture, (b) no Indenture Default exists, and (c) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement.

Dated: _____.

JEFFERSON COUNTY, ALABAMA

By: _____
Authorized Issuer Representative

EXHIBIT 9.6(g)

Series 2013 Senior Lien Reserve Fund Letter of Credit Reimbursement Order

To: WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee under
the Indenture referred to below No. _____

Re: Trust Indenture dated [Date] (the "Indenture") between Jefferson County, Alabama and the Trustee

Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

Request for Reinstatement of Series 2013 Senior Lien Reserve Fund Letter of Credit

Pursuant to *Section 9.6(g)* of the Indenture, the Issuer hereby requests payment from the Series 2013 Senior Lien Reserve Fund for the sole purpose of reinstating coverage under the letter of credit described above in the following amount of

\$ _____.

Funds withdrawn from the Series 2013 Senior Lien Reserve Fund shall be used solely to redeem Reserve Fund Warrants that are Senior Lien Obligations under the Indenture.

The Issuer hereby certifies that: (a) such payment is for a purpose permitted in *Section 9.6(g)* of the Indenture, (b) the amount requested for withdrawal is eligible for reinstatement under the Series 2013 Senior Lien Reserve Fund Letter of Credit, (c) no Indenture Default exists, and (d) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement.

Dated: _____.

JEFFERSON COUNTY, ALABAMA

By: _____
Authorized Issuer Representative

EXHIBIT 9.7(g)

Series 2013 Subordinate Lien Reserve Fund Letter of Credit Reimbursement Order

To: WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee under
the Indenture referred to below No. _____

Re: Trust Indenture dated [Date] (the "Indenture") between Jefferson County, Alabama and the Trustee

Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

Request for Reinstatement of Series 2013 Subordinate Lien Reserve Fund Letter of Credit

Pursuant to *Section 9.7(g)* of the Indenture, the Issuer hereby requests payment from the Series 2013 Subordinate Lien Reserve Fund for the sole purpose of reinstating coverage under the letter of credit described above in the following amount of

\$ _____.

Funds withdrawn from the Series 2013 Subordinate Lien Reserve Fund shall be used solely to redeem Reserve Fund Warrants that are Subordinate Lien Obligations under the Indenture.

The Issuer hereby certifies that: (a) such payment is for a purpose permitted in *Section 9.7(g)* of the Indenture, (b) the amount requested for withdrawal is eligible for reinstatement under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, (c) no Indenture Default exists, and (d) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement.

Dated: _____.

JEFFERSON COUNTY, ALABAMA

By: _____
Authorized Issuer Representative

EXHIBIT 9.8(c)

Requisition

To: WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee under
the Indenture referred to below No. _____

Re: Trust Indenture dated [Date] (the "Indenture") between Jefferson County, Alabama and the Trustee

Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

Request for Payment by the Issuer

The Issuer hereby requests payment from the Capital Improvement Fund.

of \$ _____ to

Name of payee: _____

Address of payee: _____

Such payment will be made for the following purpose(s):

(Note: The Issuer is to describe purpose in reasonable detail. The Trustee shall be entitled to rely upon the certification by the Issuer in the following paragraph with respect to the purpose of this payment and shall not be required to verify that such purpose is authorized by the Indenture or that such purpose will not cause or result in a violation of any covenant in the Tax Certificate and Agreement.)

The Issuer hereby certifies that: (a) such payment is for a purpose permitted in *Section 9.8(c)* of the Indenture, (b) no Indenture Default exists, and (c) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement.

Dated: _____.

JEFFERSON COUNTY, ALABAMA

By: _____
Authorized Issuer Representative

EXHIBIT 15.5

Schedule of Permitted Ratios of Senior Lien Obligations to Secured Obligations

[To be provided.]

EXHIBIT 16.1(b)

Directions for Notices

JEFFERSON COUNTY, ALABAMA

Mailing address:

Jefferson County, Alabama
Attention: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jefferson County, Alabama
Attention: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

Hand delivery or courier delivery address:

Jefferson County, Alabama
Attention: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jefferson County, Alabama
Attention: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

Email address:

County Manager:
County Attorney:

Facsimile transmissions:

County Manager:
County Attorney:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as trustee**

Mailing address:

Hand delivery or courier delivery address:

Email address:

Facsimile transmissions:

RATINGS:
Series 2013
Subordinate Lien

Series 2013
Senior Lien

S&P: AA- (AGM insured)/ _____
Fitch: _____

(See "RATINGS" herein)

NEW ISSUE - Book-Entry Only

In the opinion of Bond Counsel, under existing law, interest on the Warrants (i) will be excluded from gross income for federal income tax purposes if the County complies with all requirements of the Internal Revenue Code that must be satisfied subsequent to the issuance of the Warrants in order that interest thereon be and remain excluded from gross income, and (ii) will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. Bond Counsel is also of the opinion that, under existing law, interest on the Warrants will be exempt from State of Alabama income taxation. See "TAX STATUS" herein for further information.

JEFFERSON COUNTY, ALABAMA

\$375,000,000*
Senior Lien Sewer Revenue Current Interest Warrants Series 2013-A

\$750,155,000*
Subordinate Lien Sewer Revenue Current Interest Warrants Series 2013-D

\$55,693,095.85*
Senior Lien Sewer Revenue Capital Appreciation Warrants Series 2013-B

\$71,935,073.95*
Subordinate Lien Sewer Revenue Capital Appreciation Warrants Series 2013-E

\$69,308,272.15*
Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants Series 2013-C

\$416,317,273*
Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants Series 2013-F

Dated: Date of Delivery **Due: October 1, as shown on the inside cover hereof**

FOR MATURITY SCHEDULE, INTEREST RATES, PRICES OR YIELDS, AND CUSIP NUMBERS, SEE INSIDE COVER

The \$375,000,000* Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A (the "Series 2013-A Warrants"), \$55,693,095.85* Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B (the "Series 2013-B Warrants"), \$69,308,272.15* Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C (the "Series 2013-C Warrants" and, together with the Series 2013-A Warrants and the Series 2013-B Warrants, the "Series 2013 Senior Lien Obligations"), \$750,155,000* Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D (the "Series 2013-D Warrants"), \$71,935,073.95* Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E (the "Series 2013-E Warrants"), and \$416,317,273* Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F (the "Series 2013-F Warrants" and, together with the Series 2013-D Warrants and the Series 2013-E Warrants, the "Series 2013 Subordinate Lien Obligations") of Jefferson County, Alabama (the "County") offered hereby are being issued pursuant to a Trust Indenture dated December 1, 2013 (the said Trust Indenture, as supplemented by the First Supplemental Indenture hereinafter described, the "Indenture") between the County and Wells Fargo Bank, National Association (the "Trustee"). The Series 2013 Senior Lien Obligations and the Series 2013 Subordinate Lien Obligations (collectively, the "Warrants") are issuable as fully registered warrants and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), to which principal and interest payments on the Warrants will be made so long as Cede & Co. is the registered owner of the Warrants. Individual purchases of the Warrants will be made in Book-Entry Only form, and individual purchasers ("Beneficial Owners") of the Warrants will not receive physical delivery of warrant certificates.

The Series 2013 Senior Lien Obligations are not general obligations of the County and are not secured by any tax revenues of the County. The Series 2013 Senior Lien Obligations are being issued as limited obligations secured by and payable from, and having a first priority lien on, the General Trust Estate, which consists of gross revenues (other than tax revenues) collected from the sanitary sewer system owned and operated by the County and certain other funds and accounts created in the Indenture, all as more particularly described herein (the "General Trust Estate"). The Series 2013 Senior Lien Obligations are additionally secured by and payable from the Series 2013 Senior Lien Trust Estate (hereinafter defined), which consists of the Series 2013 Senior Lien Debt Service Fund (hereinafter defined) and the Series 2013 Senior Lien Reserve Fund (hereinafter defined). The deposit required to be made under the Indenture into the Series 2013 Senior Lien Reserve Fund upon the issuance of the Series 2013 Senior Lien Obligations will be satisfied by delivery of an irrevocable standby letter of credit (the "Series 2013 Senior Lien Reserve Fund Letter of Credit") to the Trustee upon issuance of the Warrants.

The Series 2013 Subordinate Lien Obligations are not general obligations of the County and are not secured by any tax revenues of the County. The Series 2013 Subordinate Lien Obligations are being issued as limited obligations secured by and payable from, and having a second priority lien on, the General Trust Estate. The Series 2013 Subordinate Lien Obligations are additionally secured by and payable from the Series 2013 Subordinate Lien Trust Estate (hereinafter defined), which consists of the Series 2013 Subordinate Lien Debt Service Fund (hereinafter defined) and the Series 2013 Subordinate Lien Reserve Fund (hereinafter defined). The deposit required to be made under the Indenture into the Series 2013 Subordinate Lien Reserve Fund upon the issuance of the Series 2013 Subordinate Lien Obligations will be satisfied by delivery of an irrevocable standby letter of credit (the "Series 2013 Subordinate Lien Reserve Fund Letter of Credit") to the Trustee upon issuance of the Warrants.

The scheduled payment of principal of (or, in the case of the Series 2013-B Warrants and the Series 2013-C Warrants, the Accreted Value) and interest on the Series 2013 Senior Lien Obligations when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2013 Senior Lien Obligations by ASSURED GUARANTY MUNICIPAL CORP.



The Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit will be issued by JPMorgan Chase Bank, National Association (the "JPMorgan Chase Bank"). Upon issuance of the Warrants, the County will enter into a First Supplemental Indenture dated December 1, 2013 (the "First Supplemental Indenture") between the County and the Trustee, pursuant to which the County will authorize the issuance and delivery, upon the occurrence of the events described below, to JPMorgan Chase Bank of (i) Senior Lien Reserve Fund Warrants (as hereinafter defined) constituting limited obligation revenue warrants secured by the General Trust Estate on parity with the Series 2013 Senior Lien Obligations to evidence the obligation of the County to repay JPMorgan Chase Bank in the event of a drawing on the Series 2013 Senior Lien Reserve Fund Letter of Credit, and (ii) Subordinate Lien Reserve Fund Warrants (as hereinafter defined) constituting limited obligation revenue warrants secured by the General Trust Estate on parity with the Series 2013 Subordinate Lien Obligations to evidence the obligation of the County to repay JPMorgan Chase Bank in the event of a drawing on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, all as more particularly described herein.

In the Indenture the County has reserved the right to issue additional obligations secured by and payable from the General Trust Estate on parity with the Series 2013 Senior Lien Obligations (but only for refunding purposes described herein or as described in the immediately preceding paragraph), and additional obligations secured by and payable from the General Trust Estate on parity with the Series 2013 Subordinate Lien Obligations, all as more particularly described herein.

[CERTAIN OF THE WARRANTS ARE SUBJECT TO OPTIONAL REDEMPTION AND MANDATORY REDEMPTION PRIOR TO MATURITY AT THE TIMES, IN THE MANNER, AND ON THE TERMS DESCRIBED HEREIN.]

Interest on the Series 2013-A Warrants and the Series 2013-D Warrants will be payable on April 1, 2014, and semiannually thereafter on each April 1 and October 1, and on the maturity date thereof. Interest on the Series 2013-B Warrants and the Series 2013-E Warrants will be compounded from the date of delivery of the Series 2013-B Warrants and the Series 2013-E Warrants on each April 1 and October 1 until the maturity date thereof or earlier redemption, at the approximate rates of interest set forth herein, and will be payable only at maturity or upon optional redemption. The Series 2013-C Warrants and Series 2013-F Warrants will initially constitute capital appreciation warrants and will automatically convert to current interest warrants on _____ (the "Current Interest Commencement Date"). Interest on the Series 2013-C Warrants and Series 2013-F Warrants will be compounded from their date of delivery to, but not including, the Current Interest Commencement Date, at the approximate rates of interest set forth herein. From the Current Interest Commencement Date, the Series 2013-C Warrants and Series 2013-F Warrants will bear current interest on the accreted value thereof as of the Current Interest Commencement Date, payable each April 1 and October 1 to maturity, commencing on the _____ 1 immediately following such Current Interest Commencement Date.

This cover page contains information for quick reference only. It is not a summary of this issue. Potential investors must read the entire Official Statement to obtain information essential to making an informed investment decision. There are numerous risk factors in connection with the Warrants and the plan of financing that prospective investors should carefully consider before making an investment decision regarding the Warrants. See "RISK FACTORS" herein.

The Warrants are offered when, as, and if received by the Underwriters, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of the validity thereof by Balch & Bingham LLP, Bond Counsel to the County, and certain other conditions. Certain legal matters will be passed upon for the County by Bradley Arant Boult Cummings LLP, Disclosure Counsel to the County, and for the Underwriters by Hawkins Delafield & Wood LLP and Lewis & Munday, P.C., co-counsel to the Underwriters. It is expected that the Warrants will be available for delivery through DTC on or about _____, 2013.

CITIGROUP

| | |
|--|---|
| <p>Merchant Capital, L.L.C. First Tuskegee Capital Markets Jefferies RBC Capital Markets</p> | <p>Drexel Hamilton, LLC Securities Capital Corporation Morgan Stanley Siebert Brandford Shank & Co., L.L.C.</p> |
|--|---|

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

JEFFERSON COUNTY, ALABAMA

\$375,000,000*

Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A

\$375,000,000* ___% Term Series 2013-A Warrant Yield ___% due October 1, 2053; CUSIP⁽¹⁾

\$55,693,095.85*

Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B

| Maturity (October 1) | Initial Principal Amount* | Compounded Amount Due at Maturity | Yield | Rate | Price | CUSIP⁽¹⁾ |
|---------------------------------|--------------------------------------|--|--------------|-------------|--------------|----------------------------|
| 2025 | \$2,373,171.00 | | | | | |
| 2026 | 4,504,512.00 | | | | | |
| 2027 | 6,383,478.25 | | | | | |
| 2028 | 8,025,286.50 | | | | | |
| 2029 | 5,967,770.40 | | | | | |
| 2030 | 5,492,284.80 | | | | | |
| 2031 | 5,106,866.75 | | | | | |
| 2032 | 4,746,655.20 | | | | | |
| 2033 | 4,406,402.40 | | | | | |
| 2034 | 4,085,139.75 | | | | | |
| 2035 | 3,786,196.80 | | | | | |
| 2036 | 815,332.00 | | | | | |

\$69,308,272.15*

Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C

| Maturity (October 1) | Initial Principal Amount* | Compounded Amount as of ___/___/20___ and Amount Due at Maturity | Yield | Rate | Price | CUSIP⁽¹⁾ |
|---------------------------------|--------------------------------------|---|--------------|-------------|--------------|----------------------------|
| 2036 | \$6,576,817.50 | | | | | |
| 2037 | 8,933,796.60 | | | | | |
| 2038 | 9,498,240.00 | | | | | |
| 2039 | 10,099,559.55 | | | | | |
| 2040 | 10,722,227.45 | | | | | |
| 2041 | 11,383,035.20 | | | | | |
| 2042 | 12,094,595.85 | | | | | |

\$750,155,000*

Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D

| Maturity (October 1) | Principal Amount* | Interest Rate | Yield | CUSIP⁽¹⁾ |
|--|------------------------------|--------------------------|--------------|----------------------------|
| 2015 | \$2,215,000 | | | |
| 2016 | 7,265,000 | | | |
| 2017 | 12,920,000 | | | |
| 2018 | 13,290,000 | | | |
| \$34,530,000* ___% Term Series 2013-D Warrant Yield ___% due _____ 1, 2023; CUSIP ⁽¹⁾ \$29,930,000* ___% Term Series 2013-D Warrant Yield ___% due _____ 1, 2042; CUSIP ⁽¹⁾ \$283,920,000* ___% Term Series 2013-D Warrant Yield ___% due _____ 1, 2051; CUSIP ⁽¹⁾ \$366,085,000* ___% Term Series 2013-D Warrant Yield ___% due _____ 1, 2053; CUSIP ⁽¹⁾ | | | | |

* Preliminary; subject to change.

⁽¹⁾ The CUSIP number shown above has been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw Hill Companies, Inc., and is included solely for the convenience of the Warrant holders. Neither the Underwriters nor the County is responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness on the Warrants or as indicated herein.

\$71,935,073.95*

Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E

| Maturity (October 1) | Initial Principal Amount* | Compounded Amount Due at Maturity | Yield | Rate | Price | CUSIP ⁽¹⁾ |
|-------------------------|------------------------------|--------------------------------------|-------|------|-------|----------------------|
| 2029 | \$3,122,842.40 | | | | | |
| 2030 | 4,637,803.50 | | | | | |
| 2031 | 5,963,928.00 | | | | | |
| 2032 | 7,109,403.40 | | | | | |
| 2033 | 8,087,574.95 | | | | | |
| 2034 | 8,913,450.00 | | | | | |
| 2035 | 9,597,644.25 | | | | | |
| 2036 | 10,161,186.75 | | | | | |
| 2037 | 10,604,189.70 | | | | | |
| 2038 | 3,737,051.00 | | | | | |

\$416,317,273*

Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F

| Maturity (October 1) | Initial Principal Amount* | Compounded Amount as of __/__/20__ and Amount Due at Maturity | Yield | Rate | Price | CUSIP ⁽¹⁾ |
|-------------------------|------------------------------|---|-------|------|-------|----------------------|
| 2038 | \$21,968,946.80 | | | | | |
| 2039 | 38,709,204.70 | | | | | |
| 2040 | 45,205,079.40 | | | | | |
| 2041 | 45,001,195.20 | | | | | |
| 2042 | 2,187,010.80 | | | | | |
| 2043 | 21,081,489.00 | | | | | |
| 2044 | 25,853,080.10 | | | | | |
| 2045 | 30,715,465.00 | | | | | |
| 2046 | 36,419,071.90 | | | | | |
| 2047 | 42,204,805.50 | | | | | |
| 2048 | 49,048,179.50 | | | | | |
| 2049 | 55,903,397.50 | | | | | |
| 2050 | 2,020,347.60 | | | | | |

* Preliminary; subject to change.

⁽¹⁾ The CUSIP number shown above has been assigned by Standard & Poor's CUSIP Service Bureau, a Division of The McGraw Hill Companies, Inc., and is included solely for the convenience of the Warrantholders. Neither the Underwriters nor the County is responsible for the selection or use of the CUSIP number, nor is any representation made as to its correctness on the Warrants or as indicated herein.

JEFFERSON COUNTY, ALABAMA

716 Richard Arrington Jr. Blvd. North
Birmingham, Alabama 35203
(205) 325-5300

Jefferson County Commission

David Carrington
President

George Bowman
Commissioner

Sandra Little Brown
Commissioner

Joe Knight
Commissioner

Jimmie Stephens
Commissioner

County Manager

Tony Petelos

County Attorney

Carol Sue Nelson

Chief Financial Officer

George Tablack

Financial Advisor

Public Resources Advisory Group, Inc.
New York, New York

Feasibility Consultant

Galardi Rothstein Group
Chicago, Illinois

Bond Counsel

Balch & Bingham LLP
Birmingham, Alabama

Disclosure Counsel

Bradley Arant Boult Cummings LLP
Birmingham, Alabama

Independent Certified Public Accountants

Warren Averett, LLC
Birmingham, Alabama

TABLE OF CONTENTS

INTRODUCTION 1

GLOSSARY OF TERMS 2

ESTIMATED SOURCES AND USES 8

THE SERIES 2013-A WARRANTS 8

 Maturities and Interest Rates 8

 Payment of Principal and Interest 8

 Redemption Prior to Maturity 8

THE SERIES 2013-B WARRANTS 9

 Maturities and Interest Rates 9

 Payment of Principal and Interest 9

 Redemption Prior to Maturity 9

THE SERIES 2013-C WARRANTS 9

 Maturities and Interest Rates 9

 Payment of Principal and Interest 10

 Redemption Prior to Maturity 10

THE SERIES 2013-D WARRANTS 10

 Maturities and Interest Rates 10

 Payment of Principal and Interest 10

 Redemption Prior to Maturity 11

THE SERIES 2013-E WARRANTS 11

 Maturities and Interest Rates 11

 Payment of Principal and Interest 11

 Redemption Prior to Maturity 11

THE SERIES 2013-F WARRANTS 12

 Maturities and Interest Rates 12

 Payment of Principal and Interest 12

 Redemption Prior to Maturity 12

CERTAIN PROVISIONS RESPECTING THE WARRANTS 13

 Purpose 13

 Plan for Refunding 13

 Notice of Redemption and Partial Redemption 13

 Book-Entry Only System 13

 Municipal Bond Insurance 15

 Series 2013 Insurer as Sole Holder for Certain Purposes 17

SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS 17

 General Trust Estate 17

 Series 2013 Senior Lien Trust Estate; Series 2013 Senior Lien Reserve Fund Requirement 18

 Insured Series 2013 Warrants 18

 Series 2013 Subordinate Lien Trust Estate; Series 2013 Subordinate Lien Reserve Fund Requirement 18

 Application of System Revenues 19

 Rate Covenant 20

 Additional Secured Obligations 21

 Reserve Fund Warrants 23

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE 23

 Indenture Funds 23

 Certain Covenants of the County 29

 Ownership and Operation of the System 30

 Events of Default 33

 Remedies and Other Provisions upon Events of Default 33

 Amendments 40

 Payment of Indenture Indebtedness; Satisfaction and Discharge of Indenture 41

 Calculation of Percentage of Holders Taking Action 42

 Amounts Due and Unpaid After Act of Bankruptcy 42

SUMMARY OF SERIES 2013 RESERVE FUNDS LETTERS OF CREDIT 42

| | |
|---|----|
| General..... | 42 |
| Series 2013 Senior Lien Reserve Fund Letter of Credit | 43 |
| Series 2013 Subordinate Lien Reserve Fund Letter of Credit..... | 44 |
| Certain Information Respecting JPMorgan Chase Bank..... | 46 |
| FEASIBILITY STUDY..... | 47 |
| General..... | 47 |
| Certain Projections and Forecasts; No Reliance on Plan of Adjustment Forecasts | 47 |
| Estimated Coverage | 48 |
| DEBT SERVICE REQUIREMENTS | 50 |
| Estimated Debt Service Requirements..... | 50 |
| JEFFERSON COUNTY SEWER SYSTEM..... | 51 |
| Legislative and Constitutional Authority | 51 |
| Charge Ordinance and Approved Rate Structure..... | 51 |
| The System's History | 53 |
| Description of the System..... | 55 |
| Current Status of the System..... | 62 |
| Capital Improvement Program..... | 63 |
| Phosphorus..... | 64 |
| Major Accounts | 64 |
| Sewer Tax | 65 |
| Billing, Collection and Rate Making Authority | 65 |
| System Management..... | 66 |
| Environmental Services Department | 66 |
| Certain Financial Information Concerning the System..... | 68 |
| The EPA Consent Decree | 73 |
| Cost Overruns, Financing Costs, and Corruption | 74 |
| Defaults on the System's Debt Obligations..... | 75 |
| Closing Agreement with IRS | 75 |
| THE COUNTY, ITS GOVERNMENT AND ITS FINANCIAL SYSTEM | 75 |
| JEFFERSON COUNTY BANKRUPTCY | 75 |
| THE PLAN OF ADJUSTMENT..... | 76 |
| General..... | 76 |
| The Discharge and Release of the County under the Plan of Adjustment | 76 |
| Bankruptcy Court Validation of the Warrants and the Approved Rate Structure..... | 76 |
| Approval of Warrants Under 11 U.S.C. § 364..... | 77 |
| Consent by County to Entry of Orders..... | 77 |
| Retention of Jurisdiction by Bankruptcy Court | 77 |
| PROSPECTIVE BANKRUPTCY CONSIDERATIONS | 78 |
| RISK FACTORS | 79 |
| Introduction..... | 79 |
| Limited Source of Payment | 80 |
| General Economic and Political Risks..... | 80 |
| Risks Related to Collateral..... | 80 |
| Enforceability of Remedies..... | 80 |
| Future Bankruptcy | 81 |
| Additional Secured Obligations | 81 |
| Unsecured and Subordinate Obligations..... | 81 |
| Reliance on Assumptions, Forecasts and Projections | 82 |
| Sewer Tax Proceeds..... | 82 |
| Post-Confirmation Challenges to, or Non-Compliance with, the Approved Rate Structure..... | 82 |
| Rate Covenant and Limits on Future Rate Increases | 84 |
| Rates Charged by Other Billing Partners..... | 84 |
| Operating Risks | 84 |
| Collections Risks | 85 |
| Future Governmental Actions..... | 85 |
| EPA Consent Decree | 85 |

| | |
|---|----|
| Additional Capital Improvements..... | 86 |
| Limits on Future Borrowing | 86 |
| Technology and Other Service Providers | 87 |
| Lack of Liquidity for the Warrants | 87 |
| Appeal of Confirmation Order..... | 87 |
| Ratings | 88 |
| Bond Insurance Risk Factors | 88 |
| Tax-Exempt Status of Warrants | 89 |
| Future Legislation Could Affect Tax-Exempt Obligations..... | 89 |
| LITIGATION AND OTHER MATTERS | 90 |
| General..... | 90 |
| Jefferson County Employment Discrimination Receiver – <i>United States v. Jefferson County, et al.</i> | 91 |
| Other Matters | 92 |
| TAX STATUS..... | 93 |
| CONTINUING DISCLOSURE..... | 94 |
| RATINGS..... | 95 |
| APPROVAL OF LEGAL PROCEEDINGS..... | 95 |
| AUDITED FINANCIAL STATEMENTS | 95 |
| UNDERWRITING | 96 |
| CERTAIN RELATIONSHIPS | 96 |
| FINANCIAL ADVISOR..... | 96 |
| MISCELLANEOUS..... | 97 |
| | |
| APPENDIX A - Form of Indenture | |
| APPENDIX B - Rate Resolution | |
| APPENDIX C - Retired Sewer Warrants | |
| APPENDIX D - Accretion Tables Respecting the Series 2013-B Warrants, the Series 2013-C Warrants, the Series 2013-E Warrants, and the Series 2013-F Warrants | |
| APPENDIX E - Municipal Advisor's Feasibility Study | |
| APPENDIX F - Charge Ordinance and Approved Rate Structure | |
| APPENDIX G - Information Respecting Jefferson County, Alabama | |
| APPENDIX H - Jefferson County Bankruptcy | |
| APPENDIX I - Form of Continuing Disclosure Agreement | |
| APPENDIX J - Form of Approval Opinion of Bond Counsel | |
| APPENDIX K - Audited Financial Statements of the County as of and for the Fiscal Year Ended September 30, 2012 | |
| APPENDIX L - County Budget for the 2014 Fiscal Year | |
| APPENDIX M - Specimen Municipal Bond Insurance Policy | |

Certain information contained in or incorporated by reference in this Official Statement has been obtained by the County from AGM, JPMorgan Chase Bank, DTC and other sources that are deemed reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information by the Underwriters, the Trustee or the County. The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Underwriters. This Official Statement is being used in connection with the sale of securities as referred to herein and may not be used, in whole or in part, for any other purpose. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

No dealer, broker, salesperson or any other person has been authorized by the County, the Trustee or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the inside cover page, nor shall there be any offer to sell, solicitation of an offer to buy or sale of such securities in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Warrants.

Any statements made in this Official Statement, including the Appendices hereto, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the County's beliefs as well as assumptions made by and information currently available to the County.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "estimate," "budget," "projected," "forecast" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Although such expectations reflected in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct in whole or in part. The County is not obligated to issue any updates or revisions to the forward-looking statements if or when expectations do not materialize, or events, conditions or circumstances on which such statements are based do or do not occur.

Furthermore, any statements made in this Official Statement involving estimates or matters of opinion, whether or not expressly so stated, are intended merely as estimates or opinions and not as representations of fact. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the Warrants shall under any circumstances create any implication that there has been no change in the affairs of the County or the System since the respective dates as of which such information is given.

No representation is made that past experience, results of operations or financial condition, as it might be shown by financial and other information reported in this Official Statement (including any appendix hereto) will continue or be repeated in the future.

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Warrants or the advisability of investing in the Warrants. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "Municipal Bond Insurance" within the section herein entitled "CERTAIN PROVISIONS RESPECTING THE WARRANTS" and "Appendix M – Specimen Municipal Bond Insurance Policy."

SUMMARY OF THE OFFERING

This summary is subject in all respects to more complete information contained in this Official Statement and should not be considered a complete statement of the facts material to making an investment decision. The offering of the Warrants to potential investors is made only by means of the entire Official Statement, including all appendices hereto and other documents available for review and to which reference is herein made. Capitalized terms used in this summary and not otherwise defined shall have the meanings given to such terms in the glossary hereof or in the Indenture, as applicable. See "GLOSSARY OF TERMS" herein and the form of Indenture attached as Appendix A hereto.

| | |
|-------------------------------------|---|
| Issuer | Jefferson County, Alabama (the "County") |
| Securities Offered | \$375,000,000* Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A (the "Series 2013-A Warrants"), \$55,693,095.85* Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B (the "Series 2013-B Warrants"), \$69,308,272.15* Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C (the "Series 2013-C Warrants", and, together with the Series 2013-A Warrants and the Series 2013-B Warrants, the "Series 2013 Senior Lien Obligations"), \$750,155,000* Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D (the "Series 2013-D Warrants"), \$71,935,073.95* Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E (the "Series 2013-E Warrants"), and \$416,317,273* Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F (the "Series 2013-F Warrants" and, together with the Series 2013-D Warrants and the Series 2013-E Warrants, the "Series 2013 Subordinate Lien Obligations"). |
| Interest Accrual and Payment | <p>The Series 2013-A Warrants will be issued as current interest warrants, meaning that the interest thereon is scheduled to be paid semi-annually. Interest on the Series 2013-A Warrants will be payable on April 1, 2014, and semiannually thereafter on each April 1 and October 1, and on the maturity date thereof. See "THE SERIES 2013-A WARRANTS" herein.</p> <p>The Series 2013-B Warrants will be issued as capital appreciation warrants, meaning that the interest thereon is scheduled to accrete and compound semi-annually on each April 1 and October 1. The Accreted Value of the Series 2013-B Warrants will be paid at maturity. See "THE SERIES 2013-B WARRANTS" herein.</p> <p>The Series 2013-C Warrants will be issued as capital appreciation warrants that will be automatically converted to current interest warrants on _____ 1, ____ (the "Current Interest Commencement Date"), meaning that the interest thereon is scheduled to accrete and compound semi-annually on each April 1 and October 1 until the conversion date, at which time such accreted interest will be added to principal, and thereafter interest on such principal is scheduled to be paid semi-annually on each April 1 and October 1. See "THE SERIES 2013-C WARRANTS" herein.</p> <p>The Series 2013-D Warrants will be issued as current interest warrants, meaning that the interest thereon is scheduled to be paid semi-annually. Interest on the Series 2013-D Warrants will be payable on April 1, 2014, and semiannually thereafter on each April 1 and October 1, and on the maturity date thereof. See "THE SERIES 2013-D WARRANTS" herein.</p> <p>The Series 2013-E Warrants will be issued as capital appreciation warrants, meaning that the interest thereon is scheduled to accrete and compound semi-annually on each April 1 and October 1. The Accreted Value of the Series 2013-E Warrants will be paid at maturity. See "THE SERIES 2013-E WARRANTS" herein.</p> |

The Series 2013-F Warrants will be issued as capital appreciation warrants that will be automatically converted to current interest warrants on _____ 1, _____, meaning that the interest thereon is scheduled to accrete and compound semi-annually on each April 1 and October 1 until the Current Interest Commencement Date, at which time such accreted interest will be added to initial principal, and thereafter interest on such principal is scheduled to be paid semi-annually on each April 1 and October 1. See "THE SERIES 2013-F WARRANTS" herein.

Security and Sources of Payment

The Series 2013 Senior Lien Obligations and the Series 2013 Subordinate Lien Obligations (collectively, the "Warrants") are limited obligations of the County issued under a Trust Indenture to be dated December 1, 2013, between the County and Wells Fargo Bank, National Association, as trustee (the said Trust Indenture, as supplemented by the First Supplemental Indenture hereinafter defined, the "Indenture"). The Warrants are secured by and payable from a pledge and assignment of the revenues (other than tax revenues) collected from the sanitary sewer system owned and operated by the County (the "System Revenues"), and, further, (i) money and investments from time to time on deposit in, or forming a part of, the Revenue Fund, the Operating Account, the Costs of Issuance Fund and the Capital Improvement Fund established under the Indenture, and (ii) any other property which may, from time to time hereafter, be specifically subjected to the lien of the Indenture as additional security for Secured Obligations (collectively, together with the System Revenues, the "General Trust Estate"). The Warrants are not general obligations of the County and are not secured by any tax revenues of the County. See "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS" herein.

**First Priority Lien –
Series 2013 Senior Lien Obligations
Reserve Fund Warrants**

The Series 2013 Senior Lien Obligations have a first priority lien with respect to the right of payment from the General Trust Estate, and will be additionally secured by the funds and amounts held in the Series 2013 Senior Lien Reserve Fund and the Series 2013 Senior Lien Debt Service Fund established under the Indenture (the "Series 2013 Senior Lien Trust Estate"). See "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS" herein. Upon the occurrence of certain events described herein under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS – Reserve Fund Warrants" herein, the Trustee shall deliver to JPMorgan Chase Bank (defined below) limited obligation warrants (the "Senior Lien Reserve Fund Warrants") pursuant to a First Supplemental Indenture dated December 1, 2013 (the "First Supplemental Indenture") between the County and the Trustee, payable from and secured by the General Trust Estate on parity with the Series 2013 Senior Lien Obligations, which Senior Lien Reserve Fund Warrants shall evidence the obligation of the County to reimburse JPMorgan Chase Bank for drawings honored on the Series 2013 Senior Lien Reserve Fund Letter of Credit (defined below).

**Second Priority Lien -
Series 2013 Subordinate Lien Obligations
Reserve Fund Warrants**

The Series 2013 Subordinate Lien Obligations have a second priority lien with respect to the right of payment from the General Trust Estate, subordinate to the Series 2013 Senior Lien Obligations and any additional obligations hereafter issued on parity therewith in accordance with the Indenture. The Series 2013 Subordinate Lien Obligations will be additionally secured by the funds and amounts held in the Series 2013 Subordinate Lien Reserve Fund and the Series 2013 Subordinate Lien Debt Service Fund established under the Indenture (the "Series 2013 Subordinate Lien Trust Estate" and, together with the General Trust Estate and the Series 2013 Senior Lien Trust Estate, the "Trust Estate"). See "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS" herein. Upon the occurrence of certain events described herein under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS – Reserve Fund Warrants" herein, the Trustee shall deliver to JPMorgan Chase Bank (defined below) limited obligation warrants (the "Subordinate Lien Reserve Fund Warrants") pursuant to the First Supplemental Indenture payable from and secured

by the General Trust Estate on parity with the Series 2013 Subordinate Lien Obligations, which Subordinate Lien Reserve Fund Warrants shall evidence the obligation of the County to reimburse JPMorgan Chase Bank for drawings honored on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit (defined below).

Insured Series 2013 Senior Lien Obligations

The scheduled payment of principal of (or, in the case of the Series 2013-B Warrants and the Series 2013-C Warrants, the Accreted Value) and interest on the Series 2013 Senior Lien Obligations when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2013 Senior Lien Obligations by Assured Guaranty Municipal Corp. (the "Series 2013 Insurance Policy"). See "CERTAIN PROVISIONS RESPECTING THE WARRANTS – Municipal Bond Insurance" herein.

Series 2013 Senior Lien Reserve Fund Letter of Credit

Upon issuance of the Warrants, there shall be delivered to the Trustee an irrevocable standby letter of credit (the "Series 2013 Senior Lien Reserve Fund Letter of Credit") issued by JPMorgan Chase Bank, National Association ("JPMorgan Chase Bank") to cover withdrawals that may be made by the Trustee from the Series 2013 Senior Lien Reserve Fund. See "SUMMARY OF SERIES 2013 RESERVE FUNDS LETTERS OF CREDIT" herein.

Series 2013 Subordinate Lien Reserve Fund Letter of Credit

Upon issuance of the Warrants, there shall be delivered to the Trustee an irrevocable standby letter of credit (the "Series 2013 Subordinate Lien Reserve Fund Letter of Credit") issued by JPMorgan Chase Bank to cover withdrawals that may be made by the Trustee from the Series 2013 Subordinate Lien Reserve Fund. See "SUMMARY OF SERIES 2013 RESERVE FUNDS LETTERS OF CREDIT" herein.

Risk Factors

Payment of principal of and interest on the Warrants in full and when due is subject to numerous risk factors that should be carefully considered by prospective purchasers prior to making an investment decision regarding the Warrants. See "RISK FACTORS" herein.

Additional Secured Obligations

As of their date of issuance, the Warrants will be the only obligations of the County payable from or secured by the Trust Estate. In the Indenture, the County has reserved the right to issue obligations, in addition to the Warrants, payable from and secured by the General Trust Estate, either as Senior Lien Obligations on parity with the Series 2013 Senior Lien Obligations (but only for the purpose of refinancing existing Senior Lien Obligations), or as Subordinate Lien Obligations on parity with the Series 2013 Subordinate Lien Obligations. See "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS" herein.

Use of Proceeds

The Warrants are being issued pursuant to and in connection with the County's Plan of Adjustment (hereinafter defined), as confirmed by the Bankruptcy Court (hereinafter defined), in order to (i) redeem and retire certain of the Retired Sewer Warrants (hereinafter defined) and pay certain claims under the Plan of Adjustment (hereinafter defined), (ii) pay the premium for the Series 2013 Insurance Policy, and (iii) pay a portion of the costs of issuing the Warrants. See "ESTIMATED SOURCES AND USES" herein. Retired Sewer Warrants not retired with proceeds of the Warrants will be retired from other sources of the County.

Plan of Adjustment

Pursuant to Section 941 of the Bankruptcy Code, the County has filed with the Bankruptcy Court the County's Plan of Adjustment and the County's accompanying Disclosure Statement. The Plan of Adjustment sets forth the manner in which all claims in the Bankruptcy Case will be treated if the Plan of Adjustment is confirmed by the Bankruptcy Court and becomes effective. The Disclosure Statement describes the Plan of Adjustment, the County's current and future operations, the proposed adjustment of the County's indebtedness, risk factors associated with confirmation of the Plan of Adjustment and other related matters. The Disclosure Statement was approved by an order entered by the Bankruptcy

Court on August 7, 2013, which order found that the Disclosure Statement satisfied the requirements of Section 1125 of the Bankruptcy Code. The confirmation hearing on the Plan of Adjustment has been scheduled by the Bankruptcy Court to begin on November 20, 2013. See "THE PLAN OF ADJUSTMENT" herein.

Redemption Any Series 2013-A Warrant, Series 2013-C Warrant, Series 2013-D Warrant, or Series 2013-F Warrant that matures after October 1, ____, may be redeemed at the option of the County in whole or in part on any Business Day on or after October 1, ____, at a redemption price equal to ____% of the principal amount of such Warrant redeemed, plus accrued interest thereon to the date of redemption. Any Series 2013-B Warrant or Series 2013-E Warrant that matures after October 1, ____, may be redeemed at the option of the County in whole or in part on any Business Day on or after October 1, ____, at a redemption price equal to ____% of the Accreted Value of such Warrant as of the date of redemption.

Authorized Denominations The Warrants shall be issued only as fully registered warrants. The Series 2013-A Warrants and the Series 2013-D Warrants shall be issued in denominations of \$5,000 principal amount or any integral multiple thereof. The Series 2013-B Warrants and the Series 2013-E Warrants shall be issued in denominations of \$5,000 principal amount or Accreted Value due at maturity or any integral multiple thereof due at maturity. The Series 2013-C Warrants and the Series 2013-F Warrants shall be issued in denominations of \$5,000 principal amount or Accreted Value at the Current Interest Commencement Date or any integral multiple thereof, and, from and after the Current Interest Commencement Date, in denominations of \$5,000 principal amount or any integral multiple thereof.

Form and Depository The Warrants will be delivered solely in registered form under a global book-entry system through the facilities of DTC.

| | | |
|------------------|---|--|
| | Series 2013 Senior Lien <u>Obligations</u> | Series 2013 Subordinate <u>Lien Obligations</u> |
| Rating(s) | Standard & Poor's AA-(AGM insured)/__ | _____ |
| | Fitch _____ | _____ |
| | See "RATINGS" herein. | |

THE WARRANTS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION ("SEC") UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON THE EXEMPTION CONTAINED IN SECTION 3(a)(2) OF SUCH ACT; AND THE INDENTURE HAS NOT BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939, AS AMENDED, IN RELIANCE UPON CERTAIN EXEMPTIONS CONTAINED IN SUCH ACT.

THE WARRANTS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR BY THE SECURITIES COMMISSION OR ANY REGULATORY AUTHORITY OF ANY STATE, NOR HAS THE SEC OR ANY STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

* Preliminary; subject to change.

OFFICIAL STATEMENT

Pertaining to

JEFFERSON COUNTY, ALABAMA

| | | |
|--|--|--|
| \$375,000,000* Senior Lien Sewer Revenue Current Interest Warrants Series 2013-A | \$55,693,095.85* Senior Lien Sewer Revenue Capital Appreciation Warrants Series 2013-B | \$69,308,272.15* Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants Series 2013-C |
| \$750,155,000* Subordinate Lien Sewer Revenue Current Interest Warrants Series 2013-D | \$71,935,073.95* Subordinate Lien Sewer Revenue Capital Appreciation Warrants Series 2013-E | \$416,317,273* Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants Series 2013-F |

INTRODUCTION

The \$375,000,000* Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A (the "Series 2013-A Warrants"), \$55,693,095.85* Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B (the "Series 2013-B Warrants"), \$69,308,272.15* Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C (the "Series 2013-C Warrants" and, together with the Series 2013-A Warrants and the Series 2013-B Warrants, the "Series 2013 Senior Lien Obligations"), \$750,155,000* Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D (the "Series 2013-D Warrants"), \$71,935,073.95* Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E (the "Series 2013-E Warrants"), and \$416,317,273* Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F (the "Series 2013-F Warrants" and, together with the Series 2013-D Warrants and the Series 2013-E Warrants, the "Series 2013 Subordinate Lien Obligations") offered hereby are being issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture") between Jefferson County, Alabama (the "County") and Wells Fargo Bank, National Association, as trustee (the "Trustee"), and the Confirmed Plan of Adjustment (hereinafter defined) in order to (i) redeem and retire certain of the Retired Sewer Warrants (hereinafter defined) and pay certain claims under the Plan of Adjustment (hereinafter defined), (ii) pay the premium for the Series 2013 Insurance Policy (hereinafter defined), and (iii) pay a portion of the costs of issuing the Series 2013 Senior Lien Obligations and the Series 2013 Subordinate Lien Obligations. See "ESTIMATED SOURCES AND USES" herein.

The Series 2013 Senior Lien Obligations and Series 2013 Subordinate Lien Obligations (collectively, the "Warrants") will be limited obligations of the County payable solely out of, and secured solely by a pledge and assignment of, the Trust Estate, which includes revenues (other than tax revenues) collected from the sanitary sewer system owned and operated by the County, and amounts held in certain funds and accounts under the Indenture, all as more particularly described herein. The lien on such revenues for the benefit of the Series 2013 Senior Lien Obligations will be senior to the lien thereof for the benefit of the Series 2013 Subordinate Lien Obligations. See "General Trust Estate," "Series 2013 Senior Lien Trust Estate" and "Series 2013 Subordinate Lien Trust Estate" under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS" herein.

The scheduled payment of principal of (or, in the case of the Series 2013-B Warrants and Series 2013-C Warrants, the Accreted Value) and interest on the Series 2013 Senior Lien Obligations when due will be guaranteed under an insurance policy (the "Series 2013 Insurance Policy") to be issued concurrently with the delivery of the Series 2013 Senior Lien Obligations by Assured Guaranty Municipal Corp. See "CERTAIN PROVISIONS RESPECTING THE WARRANTS – Municipal Bond Insurance" herein.

* Preliminary; subject to change.

On November 9, 2011 (the "Filing Date"), the County filed a bankruptcy petition under Chapter 9 of the Bankruptcy Code. The County's bankruptcy case is pending before the Honorable Thomas B. Bennett, Chief United States Bankruptcy Judge, in the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court"), as case number 11-05736-TBB (the "Bankruptcy Case"). In an effort to conclude the Bankruptcy Case, the County filed with the Bankruptcy Court its Plan of Adjustment for Jefferson County, Alabama dated July 29, 2013 (the "Plan of Adjustment"). Under the Plan of Adjustment, the County has agreed, among other things and under certain conditions (including confirmation of the Plan of Adjustment by the Bankruptcy Court and the occurrence of its "Effective Date"), to issue the Warrants to redeem and retire certain of the Retired Sewer Warrants. *It is a condition to the Underwriters purchasing and accepting delivery of the Warrants that the Confirmation Order (defined herein) has been issued by the Bankruptcy Court and has not been stayed pending appeal.*

Reference is hereby made to the Appendices of this Official Statement, including but not limited to those Appendices setting forth the County's financial statements for the fiscal year of the County that ended September 30, 2012, audited by Warren Averett, LLC, Certified Public Accountants, Birmingham, Alabama; the proposed form of approving opinion respecting the Warrants of Balch & Bingham LLP, Birmingham, Alabama, Bond Counsel to the County; the form of Indenture; the form of Continuing Disclosure Agreement; the Municipal Advisor's Feasibility Study prepared by Galardi Rothstein Group; the Rate Resolution adopted by the County on September 23, 2013; the Charge Ordinance and Approved Rate Structure of the County; the summary of Certain Information Respecting Jefferson County; the summary of the Jefferson County Bankruptcy; and the Budget of the County for the 2014 Fiscal Year adopted by the County on September 17, 2013; and the specimen municipal bond insurance policy for the Insured Series 2013 Warrants. The mailing address of the County is 716 Richard Arrington Jr. Blvd. North, Birmingham, Alabama 35203, and the telephone number is (205) 325-5300.

GLOSSARY OF TERMS

Certain capitalized terms used frequently herein are defined in this glossary. In addition, certain capitalized terms used in this Official Statement and not defined in this glossary are defined in the form of Indenture attached as Appendix A hereto.

"Accreted Value" means, on any date of determination or calculation prior to the Current Interest Commencement Date with respect to any Series 2013-C Warrants or Series 2013-F Warrants, and on any date of determination or calculation with respect to any Series 2013-B Warrants or Series 2013-E Warrants, the sum of the Initial Principal Amount of such warrants plus the amount of interest accreted on such warrants to and including such date.

"Alabama Code" means the Code of Alabama 1975, as amended.

"Authorized Denominations" means, (i) with respect to the Series 2013-A Warrants or the Series 2013-D Warrants, a principal amount equal to \$5,000 or any integral multiple thereof, (ii) with respect to the Series 2013-B Warrants or the Series 2013-E Warrants, a principal amount or Accreted Value due at maturity equal to \$5,000 or any integral multiple thereof, and (iii) with respect to the Series 2013-C Warrants or the Series 2013-F Warrants, a principal amount or Accreted Value at the Current Interest Commencement Date equal to \$5,000 or any integral multiple thereof, and from and after the Current Interest Commencement Date, equal to \$5,000 or any integral multiple thereof.

"Balloon Debt" means Current Interest Obligations 50% or more of the original principal amount of which matures during any 12-month period. For purposes of this definition, the principal amount of Secured Obligations required to be redeemed prior to maturity shall be deemed payable on the mandatory redemption date rather than at maturity. For the avoidance of doubt, this definition shall not apply to Capital Appreciation Obligations or to Convertible Capital Appreciation Obligations prior to the Current Interest Commencement Date applicable thereto.

"Bankruptcy Code" means Title 11 of the United States Code.

"Capital Improvement Fund" means the fund by that name established in Section 9.8 of the Indenture.

"**Capital Improvements**" means improvements or additions to the System that are chargeable to the County's capital account (or could be chargeable if so elected by the County) determined in accordance with generally accepted accounting principles.

"**Chapter 9**" means chapter 9 of the Bankruptcy Code.

"**Charge Ordinance**" means that certain ordinance entitled "Jefferson County Sewer Use Charge Ordinance" adopted by the Commission on November 6, 2012, as amended on September 23, 2013, as the same may from time to time again be amended, which sets forth, among other things, the Commission's reasonable and nondiscriminatory rules and regulations fixing rates and charges for service from the System and provisions for payment, collection and enforcement thereof.

"**Commission**" means the Jefferson County Commission, being the governing body of the County.

"**Confirmation Hearing**" means the hearing before the Bankruptcy Court on the confirmation of the Plan of Adjustment, which hearing has been scheduled by the Bankruptcy Court to begin on November 20, 2013.

"**Confirmation Order**" means the order to be entered by the Bankruptcy Court confirming the Plan of Adjustment under Section 943(b) of the Bankruptcy Code.

"**Confirmed Plan of Adjustment**" means the Plan of Adjustment, as confirmed by the Confirmation Order.

"**County**" means Jefferson County, Alabama.

"**Credit Enhancement**" means a facility provided by a third party that provides a guaranty or other assurance for the payment of Debt Service on Secured Obligations or the purchase price of Secured Obligations tendered for purchase pursuant to optional or mandatory tender provisions applicable to such Secured Obligations, or both, including bond insurance, a letter of credit, or a standby bond purchase agreement.

"**Debt Service**" means the principal, redemption premium (if any), and interest, whether accrued or accreted, payable on Secured Obligations.

"**Debt Service Requirements**" for any Fiscal Year means the scheduled Debt Service payments on Secured Obligations due and payable on April 1 during such Fiscal Year and on the October 1 immediately succeeding such Fiscal Year (Debt Service payable on October 1 during the Fiscal Year for which such computation is made being excluded from this calculation); provided, however, that:

(1) The principal amount of Secured Obligations subject to scheduled mandatory redemption in any Fiscal Year shall be deemed to be payable in such Fiscal Year rather than the Fiscal Year of the stated maturity of such Secured Obligations.

(2) With respect to Secured Obligations bearing interest at a variable rate, the amount of interest payable during any period for which the actual rate cannot be determined shall be projected using the Index Rate.

(3) If Secured Obligations have been Defeased, all principal and interest due on such Secured Obligations after the effective date of such Defeasance shall be excluded from Debt Service Requirements.

(4) Interest payments on Secured Obligations which are entitled to payments under any federal government assistance program (such as the program for Build America Bonds under the American Recovery and Reinvestment Act of 2009 or similar program);

(A) with respect to calculations which are retrospective in nature, shall be reduced by the amount of any subsidy or credit payments to which the County actually received; and

(B) with respect to calculations which involve the then current Fiscal Year or are prospective in nature, shall be reduced by the amount of any subsidy or credit payments to which the County is entitled.

(5) Unscheduled principal payments (including principal payments resulting from the optional redemption of Secured Obligations or the purchase and retirement of Secured Obligations) shall be excluded from Debt Service Requirements.

(6) The repurchase obligation with respect to Secured Obligations subject to optional or mandatory tender for purchase shall be disregarded on any date of determination if the repurchase obligation of the County is secured by Credit Enhancement on such date.

(7) With respect to Secured Obligations constituting Balloon Debt, Debt Service payable on such Secured Obligations shall be projected assuming (i) that the principal balance of such Secured Obligations on the date of determination is refinanced on the date of determination over a term equal to 40 years less the number of whole years that have elapsed since such Secured Obligations were issued, (ii) that such principal balance will bear interest at the Index Rate, and (iii) that Debt Service on such Secured Obligations after the date of determination will be payable in approximately equal annual installments sufficient to pay both principal and interest.

"Disclosure Statement" means the Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (dated July 29, 2013), as approved by order of the Bankruptcy Court entered on August 7, 2013, and as it subsequently may be amended, modified or supplemented by the County.

"Effective Date" means the date on which the Confirmed Plan of Adjustment becomes effective as defined in the Confirmed Plan of Adjustment.

"Enabling Law" means Title 11, Chapter 28 (Sections 11-28-1 *et seq.*) of the Alabama Code.

"Filing Date" means November 9, 2011, the date on which the County filed its voluntary petition for relief under Chapter 9.

"First Supplemental Indenture" means that certain First Supplemental Trust Indenture dated December 1, 2013 between the County and the Trustee pursuant to which the County's Reserve Fund Warrants are secured.

"General Trust Estate" means (i) the System Revenues, (ii) money and investments from time to time on deposit in, or forming a part of, the Revenue Fund, the Operating Account, the Costs of Issuance Fund and the Capital Improvement Fund created under the Indenture, and (iii) any other property which may, from time to time hereafter, be specifically subjected to the lien of the Indenture as additional security for Secured Obligations.

"Indenture" means that certain Trust Indenture dated December 1, 2013 between the County and the Trustee pursuant to which the Warrants are to be issued, as the same may from time to time be supplemented, amended, or modified.

"Index Rate" shall mean the "Bond Buyer Revenue Bond Index" rate for 30-year tax-exempt revenue bonds, as published by *The Bond Buyer* on any date selected by the County that is within 30 days prior to the date of such determination; provided, however, that if *The Bond Buyer* (or a successor publication) ceases to publish such index, the Index Rate shall be a comparable index selected by the County.

"Insured Series 2013 Warrants" shall mean, collectively, the Series 2013-A Warrants, the Series 2013-B Warrants, and the Series 2013-C Warrants.

"JPMorgan Chase Bank" means JPMorgan Chase Bank, National Association, the issuer of the Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit.

"MGD" means million gallons per day.

"**Net Income Available for Senior Lien Debt Service**" means the excess of System Revenues, income and gains from the System over expenses (including Operating Expenses to the extent in excess of Sewer Tax Proceeds) and losses from the System for the Fiscal Year in question, calculated in accordance with generally accepted accounting principles as used in preparing the most recent audited financial statements of the County; provided, however, that for purposes of computing Net Income Available for Senior Lien Debt Service the following items shall be excluded from this computation: (a) Debt Service paid on all Secured Obligations, (b) all amounts payable on Unsecured Obligations, (c) expenditures for Capital Improvements, (d) depreciation and amortization, (e) unrealized gains or losses on investments, (f) other non-cash expenses, and (g) customer security deposits.

"**Net Income Available for Subordinate Lien Debt Service**" means the excess of System Revenues, income and gains from the System over (i) expenses (including Operating Expenses to the extent in excess of Sewer Tax Proceeds) and losses from the System and (ii) Debt Service Requirements on Senior Lien Obligations for the Fiscal Year in question, calculated in accordance with generally accepted accounting principles as used in preparing the most recent audited financial statements of the County; provided, however, that for purposes of computing Net Income Available for Subordinate Lien Debt Service, the following items shall be excluded from this computation: (a) Debt Service paid on all Subordinate Lien Obligations, (b) all amounts payable on Unsecured Obligations, (c) expenditures for Capital Improvements, (d) depreciation and amortization, (e) unrealized gains or losses on investments, (f) other non-cash expenses, and (g) customer security deposits.

"**Operating Account**" means the account by that name established in Section 9.5 of the Indenture.

"**Operating Expenses**" means all reasonable and necessary direct or indirect expenses of operating and maintaining the System determined in accordance with generally accepted accounting principles.

"**Plan**" or "**Plan of Adjustment**" means that certain Chapter 9 Plan of Adjustment for Jefferson County, Alabama (dated July 29, 2013), as supplemented by the Plan Supplement to Chapter 9 Plan of Adjustment for Jefferson County, Alabama (dated July 29, 2013) filed with the Bankruptcy Court on September 30, 2013, and as the same shall be amended and modified prior to the Confirmation Hearing to, among other things, reflect the amendments to the Amended Financing Plan approved by the Commission on October 31, 2013, and as the same may be further amended and modified hereafter.

"**Rate Resolution**" means that certain resolution of the Commission adopted September 23, 2013, enacting a revised rate structure for User Charges, a copy of which is attached as Appendix B hereto.

"**Required Coverage Ratios**" means the following ratios:

(1) *Senior Debt Ratio.* Net Income Available for Senior Lien Debt Service for the Fiscal Year in question must be not less than 125% of Debt Service Requirements on Senior Lien Obligations payable during such Fiscal Year.

(2) *Subordinate Debt Ratio.* Net Income Available for Subordinate Lien Debt Service for the Fiscal Year in question must be not less than 110% of Debt Service Requirements on Subordinate Lien Obligations payable during such Fiscal Year.

The County must satisfy both ratios in order to be in compliance with the Required Coverage Ratios.

"**Reserve Fund Warrants**" means, collectively, the Senior Lien Reserve Fund Warrants and the Subordinate Lien Reserve Fund Warrants.

"**Retired Sewer Warrants**" means those of the Sewer Warrants listed on Appendix C hereto to be redeemed and retired with proceeds of the Warrants or with other sources of the County.

"**Retired Sewer Warrants Indenture**" means that certain Trust Indenture dated as of February 1, 1997, as supplemented and amended, between the County and the Retired Sewer Warrants Trustee, pursuant to

which the County issued and delivered the Sewer Warrants (including, without limitation, the Retired Sewer Warrants).

"Retired Sewer Warrants Trustee" means The Bank of New York Mellon Trust Company, N.A., in its capacity as successor trustee under the Retired Sewer Warrants Indenture.

"Revenue Fund" means the fund by that name established in Section 9.1 of the Indenture.

"Secured Obligations" means Senior Lien Obligations and Subordinate Lien Obligations.

"Senior Lien Obligations" means warrants or other debt obligations that are payable pursuant to the priority established by Section 9.2(a)(1) of the Indenture whether issued under the Indenture or pursuant to a Supplemental Indenture.

"Senior Lien Reserve Fund Warrants" means the County's Senior Lien Reserve Fund Reimbursement Warrants, secured by and authorized to be issued pursuant to the First Supplemental Indenture.

"Series 2013 Collateral Support Agreement" means that certain Series 2013 Collateral Support Agreement between the Trustee and JPMorgan Chase Bank dated the date of the Indenture governing JPMorgan Chase Bank's collateral delivery obligations with respect to the Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit.

"Series 2013 Insurance Policy" means that certain municipal bond insurance policy numbered [_____] issued by the Series 2013 Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Series 2013 Warrants when due. The Series 2013 Insurance Policy constitutes Credit Enhancement.

"Series 2013 Insurer" means Assured Guaranty Municipal Corp., a New York company, or any successor thereto or assignee thereof under the Indenture.

"Series 2013 Reserve Funds Letters of Credit" means, collectively, the Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit.

"Series 2013 Senior Lien Debt Service Fund" means the fund by that name established in Section 9.3 of the Indenture.

"Series 2013 Senior Lien Obligations" means the Series 2013-A Warrants, the Series 2013-B Warrants, and the Series 2013-C Warrants.

"Series 2013 Senior Lien Reserve Fund" means the fund by that name established in Section 9.6 of the Indenture.

"Series 2013 Senior Lien Reserve Fund Letter of Credit" means that certain irrevocable letter of credit no. _____ issued by JPMorgan Chase Bank and delivered to the Trustee as security for the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund Letter of Credit constitutes Credit Enhancement.

"Series 2013 Senior Lien Trust Estate" means the funds and amounts held in the Series 2013 Senior Lien Reserve Fund and the Series 2013 Senior Lien Debt Service Fund.

"Series 2013 Subordinate Lien Debt Service Fund" means the fund by that name established in Section 9.4 of the Indenture.

"Series 2013 Subordinate Lien Obligations" means the Series 2013-D Warrants, the Series 2013-E Warrants and the Series 2013-F Warrants.

"Series 2013 Subordinate Lien Reserve Fund" means the fund by that name established in Section 9.7 of the Indenture.

"**Series 2013 Subordinate Lien Reserve Fund Letter of Credit**" means that certain irrevocable letter of credit no. _____ issued by JPMorgan Chase Bank and delivered to the Trustee as security for the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit constitutes Credit Enhancement.

"**Series 2013 Subordinate Lien Trust Estate**" means the funds and amounts held in the Series 2013 Subordinate Lien Reserve Fund and the Series 2013 Subordinate Lien Debt Service Fund.

"**Series 2013-A Warrants**" shall have the meaning given to such term in the Introduction hereof.

"**Series 2013-B Warrants**" shall have the meaning given to such term in the Introduction hereof.

"**Series 2013-C Warrants**" shall have the meaning given to such term in the Introduction hereof.

"**Series 2013-D Warrants**" shall have the meaning given to such term in the Introduction hereof.

"**Series 2013-E Warrants**" shall have the meaning given to such term in the Introduction hereof.

"**Series 2013-F Warrants**" shall have the meaning given to such term in the Introduction hereof.

"**Sewer Tax**" means that certain special ad valorem tax levied within the County for sewer purposes pursuant to Act No. 716, enacted February 28, 1901 by the Alabama Legislature.

"**Sewer Tax Proceeds**" means the proceeds from the Sewer Tax.

"**Sewer Warrants**" means certain limited obligations of the County including, without limitation, the Retired Sewer Warrants, heretofore issued under the Retired Sewer Warrants Indenture payable from revenues from the System remaining after payment of the costs of operating and maintaining the System.

"**Subordinate Lien Obligations**" means warrants or other debt obligations that are payable pursuant to the priority established by Section 9.2(a)(3) of the Indenture whether issued under the Indenture or pursuant to a Supplemental Indenture.

"**Subordinate Lien Reserve Fund Warrants**" means the County's Subordinate Lien Reserve Fund Reimbursement Warrants, secured by and authorized to be issued pursuant to the First Supplemental Indenture.

"**Supplemental Indenture**" means a supplement to the Indenture authorizing the issuance of Secured Obligations.

"**System**" means the sanitary sewer system owned and operated by the County, as now or hereafter constituted.

"**System Revenues**" means all revenues derived from the ownership or operation of the System.

"**Trust Estate**" means the General Trust Estate, the Series 2013 Senior Lien Trust Estate and the Series 2013 Subordinate Lien Trust Estate.

"**Trustee**" means Wells Fargo Bank, National Association, including its successors and assigns, as trustee under the Indenture.

"**Unsecured Obligations**" means any (a) debt, (b) contract entered into with respect to interest rate exchange agreements with respect to debt, or (c) other contractual obligations of the County (other than Operating Expenses) that are undertaken for the benefit of the System and are either (i) payable from System Revenues but are not secured by a pledge of the System Revenues or (ii) payable from System Revenues but are secured by a pledge of the System Revenues that is subject and subordinate to the lien of the Indenture.

"Warrant Payment Date" means each date on which Debt Service is payable on Warrants, including any date fixed for redemption of Warrants.

"Warrants" means the Series 2013-A Warrants, the Series 2013-B Warrants, the Series 2013-C Warrants, the Series 2013-D Warrants, the Series 2013-E Warrants, and the Series 2013-F Warrants.

ESTIMATED SOURCES AND USES

The estimated proceeds to be derived from the sale of the Warrants are expected to be applied substantially as follows:

Sources

Par amount of Warrants
Cash deposit by County from existing sewer funds
Plus/less [net] original issue discount/premium

Total Sources

Uses

Redemption and Retirement of Retired Sewer Warrants and
payment of other claims under the Plan of Adjustment
Series 2013 Insurance Policy Premium
Underwriters' Discount
Costs of issuance (including financial advisory fees, consultant
fees, Series 2013 Reserve Fund Letter of Credit fees,
legal, accounting, printing, and other costs)

Total Uses

THE SERIES 2013-A WARRANTS

Maturities and Interest Rates

The Series 2013-A Warrants will be issued in the form of current interest warrants, will be dated their date of issuance and delivery, and will mature on October 1 in the years and principal amounts and bear interest at the per annum rates set forth on the inside cover page of this Official Statement. The Series 2013-A Warrants shall be issued only as fully registered warrants in Authorized Denominations.

Payment of Principal and Interest

The Series 2013-A Warrants will be issued in book-entry only form, as described herein under "CERTAIN PROVISIONS RESPECTING THE WARRANTS - Book-Entry Only System," and the method and place of payment of Debt Service on the Series 2013-A Warrants will be as provided in the book-entry only system for so long as such system is in effect with respect to the Series 2013-A Warrants. Interest on the Series 2013-A Warrants (computed on the basis of a 360-day year of 12 consecutive 30-day months) is payable semiannually on each April 1 and October 1, commencing April 1, 2014. Interest shall be payable on overdue principal and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-A Warrants at the Post-Default Rate specified in the Indenture.

Redemption Prior to Maturity

Optional Redemption. Any Series 2013-A Warrant that matures after October 1 _____, may be redeemed at the option and direction of the County in whole or in part on any Business Day on or after October 1 _____, at a redemption price equal to _____ (____%) of the principal amount of such Series 2013-A Warrant redeemed, plus accrued interest thereon to the date of redemption.

[Mandatory Redemption] The Series 2013-A Warrants maturing on October 1, ____ and October 1, ____ (collectively, the "2013-A Term Warrants") shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on the dates and in the principal amounts (after credit as provided in the Indenture) as follows:

2013-A Term Warrants Maturing in 20____

| | |
|-----------------------------------|--|
| Redemption Date (October 1) | Principal Amount to be Redeemed] |
|-----------------------------------|--|

THE SERIES 2013-B WARRANTS

Maturities and Interest Rates

The Series 2013-B Warrants will be issued in the form of capital appreciation warrants and will be dated their date of issuance and delivery. The Series 2013-B Warrants are payable only at maturity or upon optional redemption and will not pay interest on a current basis. The Series 2013-B Warrants will accrete from and including the date of initial delivery, compounded as described below. The Series 2013-B Warrants will mature on the dates set forth on the inside cover page of this Official Statement. The Series 2013-B Warrants shall be issued only as fully registered warrants in Authorized Denominations.

The Series 2013-B Warrants are payable in an amount equal to the maturity amount of the Series 2013-B Warrants. Interest thereon is payable only at maturity or upon redemption from the date of delivery of the Series 2013-B Warrants.

At any time prior to the maturity of the Series 2013-B Warrants, the Accreted Value of the Series 2013-B Warrants will be equal to the original principal amount of such Series 2013-B Warrants plus compounded interest from the date of such Series 2013-B Warrants, computed at the approximate rates of interest or approximate yields set forth on the inside cover page hereof (subject to rounding) and compounded on April 1 and October 1 of each year, commencing on the date of delivery, to the date of determination of such Accreted Value. The Accreted Value of each Series 2013-B Warrant as of each April 1 and October 1 through the date of maturity is set forth in the table attached as Appendix D hereto.

Payment of Principal and Interest

The Series 2013-B Warrants will be issued in book-entry only form, as described herein under "CERTAIN PROVISIONS RESPECTING THE WARRANTS - Book-Entry Only System," and the method and place of payment of Debt Service on the Series 2013-B Warrants will be as provided in the book-entry only system for so long as such system is in effect with respect to the Series 2013-B Warrants. Interest will be payable on overdue Accreted Value on the Series 2013-B Warrants at the Post-Default Rate specified in the Indenture.

Redemption Prior to Maturity

Any Series 2013-B Warrant that matures after October 1, _____, may be redeemed at the option and direction of the County in whole or in part on any Business Day on or after October 1, _____, at a redemption price equal to _____ (____%) of the Accreted Value of such Series 2013-B Warrant as of the date of redemption.

THE SERIES 2013-C WARRANTS

Maturities and Interest Rates

The Series 2013-C Warrants will be issued in the form of convertible capital appreciation warrants and will be dated their date of issuance and delivery. Interest on the Series 2013-C Warrants will compound from and including their date of delivery to _____ 1, _____ (herein referred to as the "Current Interest Commencement Date"). Prior to the Current Interest Commencement Date, the Series 2013-C Warrants will not pay interest on a current basis. The Series 2013-C Warrants shall accrete from and including the date of delivery, compounded semiannually on each April 1 and October 1 (each such date, a "Compounding Date"), until, but not including, the Current Interest Commencement Date, computed at the approximate rates of interest or approximate yields set forth on the inside cover hereof (subject to rounding). No payments are due to the owners of the Series 2013-C Warrants during the period from the date of delivery to the Current Interest Commencement Date. The Series 2013-C Warrants shall be issued only as fully registered warrants in Authorized Denominations.

On the Current Interest Commencement Date, the value of the principal amount of the Series 2013-C Warrants shall be fixed and shall not accrete in value from such date. After the Current Interest Commencement Date, principal of and interest on the Series 2013-C Warrants shall mature as follows:

SERIES 2013-C
Maturity Date and Interest Rate*

*Above calculations are calculated per \$5,000 increment of the maturity amount of the Series 2013-C Warrants.

Payment of Principal and Interest

The Series 2013-C Warrants will be issued in book-entry only form, as described herein under "CERTAIN PROVISIONS RESPECTING THE WARRANTS - Book-Entry Only System," and the method and place of payment of Debt Service on the Series 2013-C Warrants will be as provided in the book-entry only system for so long as such system is in effect with respect to the Series 2013-C Warrants. Following the Current Interest Commencement Date, interest on the Series 2013-C Warrants (computed on the basis of a 360-day year of 12 consecutive 30-day months) is payable semiannually on each April 1 and October 1. Prior to the Current Interest Commencement Date, interest shall be payable on overdue Accreted Value on the Series 2013-C Warrants at the Post-Default Rate specified in the Indenture. From and after the Current Interest Commencement Date, interest shall be payable on overdue principal of the Series 2013-C Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-C Warrants, at the Post Default Rate specified in the Indenture.

Redemption Prior to Maturity

Any Series 2013-C Warrant that matures after October 1, _____, may be redeemed at the option and direction of the County in whole or in part on any Business Day on or after October 1, _____, at a redemption price equal to _____ (____%) of the principal amount of such Warrant redeemed, plus accrued interest thereon to the date of redemption.

THE SERIES 2013-D WARRANTS

Maturities and Interest Rates

The Series 2013-D Warrants will be issued in the form of current interest warrants, will be dated their date of issuance and delivery, and will mature on October 1 in the years and principal amounts and bear interest at the per annum rates set forth on the inside cover page of this Official Statement. The Series 2013-D Warrants shall be issued only as fully registered warrants in Authorized Denominations.

Payment of Principal and Interest

The Series 2013-D Warrants will be issued in book-entry only form, as described herein under "CERTAIN PROVISIONS RESPECTING THE WARRANTS - Book-Entry Only System," and the method and place of payment of Debt Service on the Series 2013-D Warrants will be as provided in the book-entry only system for so long as such system is in effect with respect to the Series 2013-D Warrants. Interest on the Series 2013-D Warrants (computed on the basis of a 360-day year of 12 consecutive 30-day months) is payable semiannually on each April 1 and October 1, commencing April 1, 2014. Interest shall be payable on overdue principal and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-D Warrants at the Post-Default Rate specified in the Indenture.

Redemption Prior to Maturity

Optional Redemption. Any Series 2013-D Warrant that matures after October 1, _____, may be redeemed at the option and direction of the County in whole or in part on any Business Day on or after October 1, _____, at a redemption price equal to _____ (____%) of the principal amount of such Series 2013-D Warrant redeemed, plus accrued interest thereon to the date of redemption.

Mandatory Redemption. The Series 2013-D Warrants maturing on October 1, _____ and October 1, _____ (collectively, the "2013-D Term Warrants") shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on the dates and in the principal amounts (after credit as provided in the Indenture) as follows:

2013-D Term Warrants Maturing in 20____

| | |
|-----------------------------------|--|
| Redemption Date (October 1) | Principal Amount to be Redeemed] |
|-----------------------------------|--|

THE SERIES 2013-E WARRANTS

Maturities and Interest Rates

The Series 2013-E Warrants will be issued in the form of capital appreciation warrants and will be dated their date of issuance and delivery. The Series 2013-E Warrants are payable only at maturity or upon optional redemption and will not pay interest on a current basis. The Series 2013-E Warrants will accrete from and including the date of initial delivery, compounded as described below. The Series 2013-E Warrants will mature on the dates set forth on the inside cover page of this Official Statement. The Series 2013-E Warrants shall be issued only as fully registered warrants in Authorized Denominations.

The Series 2013-E Warrants are payable in an amount equal to the maturity amount of the Series 2013-E Warrants. Interest thereon is payable only at maturity or upon redemption from the date of delivery of the Series 2013-E Warrants.

At any time prior to the maturity of the Series 2013-E Warrants, the Accreted Value of the Series 2013-E Warrants will be equal to the original principal amount of such Series 2013-E Warrants plus compounded interest from the date of such Series 2013-E Warrants, computed at the approximate rates of interest or approximate yields set forth on the inside cover page hereof (subject to rounding) and compounded on April 1 and October 1 of each year, commencing on the date of delivery, to the date of determination of such Accreted Value. The Accreted Value of each Series 2013-E Warrant as of each April 1 and October 1 through the date of maturity is set forth in the table attached as Appendix D hereto.

Payment of Principal and Interest

The Series 2013-E Warrants will be issued in book-entry only form, as described herein under "CERTAIN PROVISIONS RESPECTING THE WARRANTS - Book-Entry Only System," and the method and place of payment of Debt Service on the Series 2013-E Warrants will be as provided in the book-entry only system for so long as such system is in effect with respect to the Series 2013-E Warrants. Interest will be payable on overdue Accreted Value on the Series 2013-E Warrants at the Post-Default Rate specified in the Indenture.

Redemption Prior to Maturity

Any Series 2013-E Warrant that matures after October 1, _____, may be redeemed at the option and direction of the County in whole or in part on any Business Day on or after October 1, _____ at a redemption price equal to _____ (____%) of the Accreted Value of such Series 2013-E Warrant as of the date of redemption.

THE SERIES 2013-F WARRANTS

Maturities and Interest Rates

The Series 2013-F Warrants will be issued in the form of convertible capital appreciation warrants and will be dated their date of issuance and delivery. Interest on the Series 2013-F Warrants will compound from and including their date of delivery to _____ 1, ____ (herein referred to as the "Current Interest Commencement Date"). Prior to the Current Interest Commencement Date, the Series 2013-F Warrants will not pay interest on a current basis. The Series 2013-F Warrants shall accrete from and including the date of delivery, compounded semiannually on each April 1 and October 1 (each such date, a "Compounding Date"), until, but not including, the Current Interest Commencement Date, computed at the approximate rates of interest or approximate yields set forth on the inside cover hereof (subject to rounding). No payments are due to the owners of the Series 2013-F Warrants during the period from the date of delivery to the Current Interest Commencement Date. The Series 2013-F Warrants shall be issued only as fully registered warrants in Authorized Denominations.

On the Current Interest Commencement Date, the value of the principal amount of the Series 2013-F Warrants shall be fixed and shall not accrete in value from such date. After the Current Interest Commencement Date, principal of and interest on the Series 2013-F Warrants shall mature as follows:

SERIES 2013-F Maturity Date and Interest Rate*

*Above calculations are calculated per \$5,000 increment of the maturity amount of the Series 2013-F Warrants.

Payment of Principal and Interest

The Series 2013-F Warrants will be issued in book-entry only form, as described herein under "CERTAIN PROVISIONS RESPECTING THE WARRANTS - Book-Entry Only System," and the method and place of payment of Debt Service on the Series 2013-F Warrants will be as provided in the book-entry only system for so long as such system is in effect with respect to the Series 2013-F Warrants. Following the Current Interest Commencement Date, interest on the Series 2013-F Warrants (computed on the basis of a 360-day year of 12 consecutive 30-day months) is payable semiannually on each April 1 and October 1. Prior to the Current Interest Commencement Date, interest shall be payable on overdue Accreted Value on the Series 2013-F Warrants at the Post-Default Rate specified in the Indenture. From and after the Current Interest Commencement Date, interest shall be payable on overdue principal of the Series 2013-F Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-F Warrants, at the Post-Default Rate specified in the Indenture.

Redemption Prior to Maturity

Any Series 2013-F Warrant that matures after October 1, ____ may be redeemed at the option and direction of the County in whole or in part on any Business Day on or after October 1, ____ at a redemption price equal to ____ (____%) of the principal amount of such Warrant redeemed, plus accrued interest thereon to the date of redemption.

CERTAIN PROVISIONS RESPECTING THE WARRANTS

Purpose

The Warrants are being issued under the Enabling Law and the Confirmed Plan of Adjustment in order to (i) refund and retire certain of the Retired Sewer Warrants or past due debt service thereon, (ii) pay the premium for the Series 2013 Insurance Policy, and (iii) pay a portion of the costs of issuing the Warrants. See "ESTIMATED SOURCES AND USES" herein.

Plan for Refunding

Proceeds of the Warrants delivered to the Retired Sewer Warrants Trustee will be distributed in accordance with the provisions of the Confirmed Plan of Adjustment. On the Effective Date, as such term is defined in the Confirmed Plan of Adjustment, the Retired Sewer Warrants and the Retired Sewer Warrants Indenture will be cancelled, and the County will be released from all further obligations with respect thereto.

Notice of Redemption and Partial Redemption

Manner, Notice and Effect of Redemption. Notice of any redemption (other than mandatory redemption) of the Warrants shall be given to the affected holder thereof not less than twenty (20) days prior to the date fixed for redemption. If the book-entry system is in effect, such notice of redemption shall be given to DTC (as defined below) and shall be forwarded by DTC to the affected holders of Warrants through methods established by the rules and operational arrangements of DTC. If the book-entry system is not in effect, notice of redemption shall be given to the holders of Warrants being redeemed by certified mail. A notice of optional redemption may state that the redemption of Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the County shall not be required to redeem the Warrants (or portions thereof) identified in such notice, and any Warrants surrendered on the specified redemption date shall be returned to the holders of such Warrants.

Partial Redemption of Warrants. Except as otherwise may be provided herein, if less than all Warrants outstanding are to be redeemed, the principal amount or Accreted Value of Warrants of each Tenor to be redeemed may be specified by the County by notice delivered to the Trustee not less than three (3) Business Days prior to the date when the Trustee must give notice of the redemption to Holders (unless a shorter notice is acceptable to the Trustee), or, in the absence of timely receipt by the Trustee of such notice, shall be determined in accordance with the book-entry system or if the book-entry system is no longer in effect by lot or by such other method as the Trustee shall deem fair and appropriate; provided, however, that the principal amount or Accreted Value of Warrants of each Tenor to be redeemed may not be larger than the principal amount or Accreted Value of Warrants of such Tenor then eligible for redemption and may not be smaller than the smallest Authorized Denomination or as otherwise required by the book-entry system. Except as otherwise may be provided above, if less than all Warrants with the same Tenor are to be redeemed, the particular Warrants of such Tenor to be redeemed shall be selected from the outstanding Warrants of such Tenor then eligible for redemption in accordance with the book-entry system or if the book-entry system is no longer in effect by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal or Accreted Value of Warrants of such Tenor of a denomination larger than the smallest Authorized Denomination.

Book-Entry Only System

Portions of the following information concerning The Depository Trust Company ("DTC") and DTC's book-entry system have been obtained from DTC. The County, the Trustee and the Underwriters make no representation as to the accuracy of such information.

General. Initially, DTC will act as Securities Depository for the Warrants. The Warrants initially will be issued solely in book-entry form to be held under DTC's book-entry system, registered in the name of Cede & Co. (DTC's partnership nominee). Initially, one fully-registered Warrant certificate for each maturity of each series will be issued for the Warrants, in the aggregate principal amount of Warrants of such series and maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended. DTC holds securities that its participants (the "Direct Participants") deposit with DTC. DTC also facilitates post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, FICC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants" and, together with Direct Participants, "Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Warrants under the DTC system must be made by or through Direct Participants, which will receive a credit for the Warrants on DTC's records. The ownership interest of each actual purchaser of each Warrant ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Warrants are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Warrants, except in the event that use of the book-entry system for the Warrants is discontinued.

To facilitate subsequent transfers, all Warrants deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Warrants with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Warrants; DTC's records reflect only the identity of the Direct Participants to whose accounts such Warrants are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

As long as the book-entry system is used for the Warrants, redemption notices will be sent to DTC. If less than all the Warrants within an issue are being redeemed, DTC's practice is to determine by lot the amount of interest of each Direct Participant in such issue to be redeemed.

As long as the book-entry system is used for the Warrants, principal, premium, if any, and interest payments on the Warrants will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon receipt of funds and corresponding detail information from the Trustee, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest to Cede & Co. is the responsibility of the County or the Trustee, and disbursement of such payments to the Participants or the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

Neither DTC nor Cede & Co. will consent or vote with respect to the Warrants. Under its usual procedures, DTC mails an Omnibus Proxy to the Trustee as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Warrants are credited on the record date (identified in a listing attached to the Omnibus Proxy).

DTC may discontinue providing its services as securities depository with respect to the Warrants at any time by giving reasonable notice to the County and the Trustee. In the event that a successor securities depository is not obtained, Warrant certificates are required to be printed and delivered.

The County and the Trustee will have no responsibility or obligation to any securities depository, any Participants in the book-entry system, or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the securities depository or any Participant; (ii) the payment by the securities depository or by any Participant of any amount due to any Participant or Beneficial Owner, respectively, in respect of the principal amount or redemption or purchase price of, or interest on, any Warrants; (iii) the delivery of any notice by the securities depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Warrants; or (v) any other action taken by the securities depository or any Participant.

In the event of the discontinuance of the book-entry system for the Warrants, Warrant certificates will be printed and delivered and the following provisions will apply: (i) principal of the Warrants will be payable upon surrender of the Warrants at the designated office of the Trustee; (ii) Warrants may be transferred or exchanged for other Warrants of Authorized Denominations as set forth in the next succeeding paragraph; and (iii) Warrants will be issued in denominations as described above under "THE SERIES 2013-A WARRANTS – Maturities and Interest Rates of Series 2013-A Warrants," "THE SERIES 2013-B WARRANTS – Maturities and Interest Rates of Series 2013-B Warrants," "THE SERIES 2013-C WARRANTS – Maturities and Interest Rates of Series 2013-C Warrants," "THE SERIES 2013-D WARRANTS – Maturities and Interest Rates of Series 2013-D Warrants," "THE SERIES 2013-E WARRANTS – Maturities and Interest Rates of Series 2013-E Warrants," and "THE SERIES 2013-F WARRANTS – Maturities and Interest Rates of Series 2013-F Warrants," above.

Discontinuance of Book-Entry Only System. The following provisions shall apply only upon discontinuance of the book-entry only system described above: (i) a physical certificate or certificates shall be executed, authenticated and delivered to each Holder under the book-entry system in accordance with such Holder's ownership of Warrants; and (ii) such certificates shall be registered in the warrant register maintained by the Trustee. The Warrants shall be registered and may be transferred only on the warrant register maintained by the Trustee. No transfer of the Warrants shall be permitted except upon presentation and surrender of such Warrants at the office of the Trustee. The holder of one or more of the Warrants may, upon request, and upon the surrender to the Trustee of such Warrants, exchange such Warrant for Warrants of other Authorized Denominations of the same tenor and of a like aggregate principal amount. No service charge shall be made for any transfer or exchange of Warrants, but the County may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Warrants. The County shall not be required (i) to transfer or exchange any Warrant during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Warrants and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Warrant so selected for redemption in whole or in part. In the event any Warrant is mutilated, lost, stolen or destroyed, the County may execute, and the Trustee shall thereupon authenticate and deliver, a replacement Warrant of like tenor as that mutilated, lost, stolen or destroyed; provided that (i) in the case of any such mutilated Warrant, such Warrant is first surrendered to the Trustee, and (ii) in the case of any lost, stolen or destroyed Warrant, there is first furnished to the County and the Trustee evidence of such loss, theft or destruction satisfactory to the County and the Trustee, together with indemnity satisfactory to each of them. The County may charge the Holder with the expense of issuing any such replacement Warrant.

Reference is made to the Indenture in full for its provisions pertaining to the registration, transfer and exchange of Warrants and the method of payment of the principal thereof or Accreted Value, and interest thereon.

Municipal Bond Insurance

The information contained in this subsection entitled "Municipal Bond Insurance" relates to Assured Guaranty Municipal Corp. and the Series 2013 Insurance Policy and has been obtained from Assured

Guaranty Municipal Corp. for use in this Official Statement. No representation is made by the County or the Underwriters as to the accuracy or completeness of this information.

The Series 2013 Insurance Policy

Concurrently with the issuance of the Insured Series 2013 Warrants, Assured Guaranty Municipal Corp. ("AGM") will issue the Series 2013 Insurance Policy. The Series 2013 Insurance Policy guarantees the scheduled payment of principal of (or, in the case of the Series 2013-B Warrants and the Series 2013-C Warrants, the Accreted Value) and interest on the Insured Series 2013 Warrants when due as set forth in the form of the Series 2013 Insurance Policy included as Appendix M to this Official Statement.

The Series 2013 Insurance Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA-" (stable outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P"), and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings. On June 12, 2013, S&P published a report in which it affirmed AGM's "AA-" (stable outlook) financial strength rating. AGM can give no assurance as to any further ratings action that S&P may take.

On January 17, 2013, Moody's issued a press release stating that it had downgraded AGM's insurance financial strength rating to "A2" (stable outlook) from "Aa3". AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2012.

Capitalization of AGM. At June 30, 2013, AGM's consolidated policyholders' surplus and contingency reserves were approximately \$3,453,294,934 and its total net unearned premium reserve was approximately \$1,944,533,294, in each case, in accordance with statutory accounting principles.

For additional information relating to the capitalization of AGM, please see the Current Report on Form 8-K filed by AGL with the Securities and Exchange Commission (the "SEC") on July 22, 2013 (excluding the portion thereof "furnished" under Item 7.01 of such Form).

Incorporation of Certain Documents by Reference. Portions of the following documents filed by AGL with the SEC that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2012 (filed by AGL with the SEC on March 1, 2013);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2013 (filed by AGL with the SEC on May 10, 2013); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2013 (filed by AGL with the SEC on August 9, 2013).

All consolidated financial statements of AGM and all other information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, (excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K), after the filing of the last document referred to above and before the termination of the offering of the Warrants shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "CERTAIN PROVISIONS RESPECTING THE WARRANTS – Municipal Bond Insurance – *Assured Guaranty Municipal Corp.*" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters. AGM or one of its affiliates may purchase a portion of the Insured Series 2013 Warrants or any uninsured Warrants and such purchases may constitute a significant proportion of the Warrants offered. AGM or such affiliate may hold such Insured Series 2013 Warrants or uninsured Warrants for investment or may sell or otherwise dispose of such Insured Series 2013 Warrants or uninsured Warrants at any time or from time to time.

AGM makes no representation regarding the Warrants or the advisability of investing in the Warrants. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "CERTAIN PROVISIONS RESPECTING THE WARRANTS – Municipal Bond Insurance."

Series 2013 Insurer as Sole Holder for Certain Purposes

Under the Indenture, the Series 2013 Insurer shall be deemed to be the sole holder of the Insured Series 2013 Warrants for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Insured Series 2013 Warrants are entitled to take pursuant to the Indenture.

SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS

General Trust Estate

General. The Warrants are limited obligations of the County payable from and secured by a pledge of the General Trust Estate, which consists of: (i) System Revenues, (ii) money and investments from time to

time on deposit in, or forming a part of, the Revenue Fund, the Operating Account, the Costs of Issuance Fund and the Capital Improvement Fund established under the Indenture, and (iii) any other property which may, from time to time hereafter, be specifically subjected to the lien of the Indenture as additional security for Secured Obligations.

Holders of Series 2013 Senior Lien Obligations and any additional Senior Lien Obligations hereafter issued have a first priority lien with respect to payment from the General Trust Estate, and Holders of the Series 2013 Subordinate Lien Obligations and any additional Subordinate Lien Obligations hereafter issued each have a second priority lien, junior and subordinate to the Series 2013 Senior Lien Obligations and any additional Senior Lien Obligations hereafter issued, with respect to payment from the General Trust Estate. See "Application of System Revenues" below for the priority of application of System Revenues.

Sewer Tax Proceeds shall not be part of, subject to the lien of, or in any way pledged to, the Trust Estate. Nevertheless, Sewer Tax Proceeds can be used by the County to pay Operating Expenses of the System.

Special Lien for Trustee Compensation and Expenses. As security for the performance of the obligations of the County under Section 12.7(a) of the Indenture (setting forth the obligation of the County to pay or reimburse the Trustee for reasonable compensation for services rendered by the Trustee under the Indenture and to cover and reimburse the Trustee for all reasonable expenses, disbursements, and other outlays of the Trustee) the Trustee is secured by a lien under the Indenture prior and senior in right to Subordinate Lien Obligations, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any money held by it as a part of the Trust Estate in accordance with Section 9.2 of the Indenture (respecting the order of application of System Revenues); provided that, so long as an Indenture Default exists, the Trustee shall be secured under the Indenture by a lien prior and senior in right to all Secured Obligations, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any money held by it as a part of the Trust Estate in accordance with Section 11.3 of the Indenture (respecting the order of application of System Revenues during the period of an Indenture Default prior to acceleration).

Series 2013 Senior Lien Trust Estate; Series 2013 Senior Lien Reserve Fund Requirement

Payment of the Series 2013 Senior Lien Obligations is additionally secured by the Series 2013 Senior Lien Trust Estate, which consists of the Series 2013 Senior Lien Debt Service Fund and the Series 2013 Senior Lien Reserve Fund. The amount required to be maintained in the Series 2013 Senior Lien Reserve Fund is the lesser of (a) 125% of the average annual Debt Service Requirements on the Series 2013 Senior Lien Obligations outstanding, (b) the maximum annual Debt Service Requirements on the Series 2013 Senior Lien Obligations outstanding, or (c) 10% of the principal amount of the Series 2013 Senior Lien Obligations outstanding, and is computed as of the date of delivery of the Series 2013 Senior Lien Obligations to be \$_____ (the "Series 2013 Senior Lien Reserve Fund Requirement").

Insured Series 2013 Warrants

Payment of the Insured Series 2013 Warrants is additionally secured by the Series 2013 Insurance Policy. See "CERTAIN PROVISIONS RESPECTING THE WARRANTS – Municipal Bond Insurance" herein for more information.

Series 2013 Subordinate Lien Trust Estate; Series 2013 Subordinate Lien Reserve Fund Requirement

Payment of the Series 2013 Subordinate Lien Obligations is additionally secured by the Series 2013 Subordinate Lien Trust Estate, which consists of the Series 2013 Subordinate Lien Debt Service Fund and the Series 2013 Subordinate Lien Reserve Fund. The amount required to be maintained in the Series 2013 Subordinate Lien Reserve Fund is the lesser of (a) 125% of the average annual Debt Service Requirements on the Series 2013 Subordinate Lien Obligations outstanding, (b) the maximum annual Debt Service Requirements on the Series 2013 Subordinate Lien Obligations outstanding, or (c) 10% of the principal amount of the Series 2013 Subordinate Lien Obligations outstanding, and is computed as of the date of delivery of the Series 2013 Subordinate Lien Obligations to be \$_____ (the "Series 2013 Subordinate Lien Reserve Fund Requirement").

Application of System Revenues

System Revenues in the Revenue Fund shall be applied in each calendar month as follows, in the order of priority indicated:

(1) First, the Trustee shall deposit in the Senior Lien Debt Service Fund the amount required for the payment of Debt Service due on Senior Lien Obligations. The related provisions of the Indenture (including any Supplemental Indenture with respect to Senior Lien Obligations) may require such deposits on or before the due date of such Debt Service, or in the month prior to the due date of such Debt Service, or may require monthly deposits for the accumulation of funds to pay Debt Service on such Senior Lien Obligations; provided, however, that such monthly deposits may not exceed the sum of (i) the pro rata amount of interest payable on the next Interest Payment Date and (ii) if principal matures or is subject to scheduled mandatory redemption within one year from the deposit date, the pro rata amount of principal payable on the next Maturity Date or scheduled mandatory redemption date, as the case may be. Investment earnings on deposit in, or transferred to, a Senior Lien Debt Service Fund shall be credited against the required deposits. If money available in the Revenue Fund is not sufficient to make all deposits otherwise required by the provision of the Indenture described in this paragraph, then deposits to each Senior Lien Debt Service Fund shall be made on a proportionate basis.

(2) Second, the Trustee shall (i) pay fees and expenses of the Trustee (including amounts payable under Section 12.7 of the Indenture), (ii) at the direction of the County, which may be standing instructions, pay fees and other amounts due during such month with respect to Credit Enhancement for Senior Lien Obligations, and (iii) at the direction of the County, which may be standing instructions, pay fees during such month to remarketing agents or entities performing similar functions with respect to Senior Lien Obligations. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all payments required by the provision of the Indenture described in this paragraph, such payments shall be made on a proportionate basis.

(3) Third, the Trustee shall deposit in each Subordinate Lien Debt Service Fund the amount required for the payment of Debt Service due on Subordinate Lien Obligations. The related provisions of the Indenture (including any Supplemental Indenture with respect to Subordinate Lien Obligations) may require such deposits on or before the due date of such Debt Service, or in the month prior to the due date of such Debt Service, or may require monthly deposits for the accumulation of funds to pay Debt Service on such Subordinate Lien Obligations; provided, however, that such monthly deposits may not exceed the sum of (i) the pro rata amount of interest payable on the next Interest Payment Date and (ii) if principal matures or is subject to scheduled mandatory redemption within one year from the deposit date, the pro rata amount of principal payable on the next Maturity Date or scheduled mandatory redemption date, as the case may be. Investment earnings on deposit in, or transferred to, a Subordinate Lien Debt Service Fund shall be credited against the required deposits. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits otherwise required by the provision of the Indenture described in this paragraph, then deposits to each Subordinate Lien Debt Service Fund shall be made on a proportionate basis.

(4) Fourth, the Trustee shall at the direction of the County, which may be standing instructions, (i) pay fees and other amounts due during such month with respect to Credit Enhancement for Subordinate Lien Obligations and (ii) pay fees during such month to remarketing agents or entities performing similar functions with respect to Subordinate Lien Obligations. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all payments required by the provision of the Indenture described in this paragraph, such payments shall be made on a proportionate basis.

(5) Fifth, the Trustee shall deposit in the Operating Account the amount required to make the balance in the Operating Account equal to the Required Operating Reserve, as specified in writing by the County.

(6) Sixth, the Trustee shall deposit in the Senior Lien Reserve Fund the amount required by Section 9.6 of the Indenture or by the related Supplemental Indenture to accumulate, maintain or restore the required balance in such Senior Lien Reserve Fund, subject to the terms and conditions of Section 8.2(a)(1)(G) (with respect to reserve requirements and replenishments relating to additional Senior Lien Obligations) and Section 9.6(d) (with respect to replenishments of the Series 2013 Senior Lien Reserve Fund) of the Indenture. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits required by the provision of the Indenture described in this paragraph, deposits to each Senior Lien Reserve Fund shall be made on a proportionate basis.

(7) Seventh, the Trustee shall deposit in the Subordinate Lien Reserve Fund the amount required by the Indenture or by the related Supplemental Indenture to accumulate, maintain or restore the required balance in such Subordinate Lien Reserve Fund, subject to the terms and conditions of Section 8.2(a)(1)(G) (with respect to reserve requirements and replenishments relating to additional Subordinate Lien Obligations) and Section 9.7(d) (with respect to replenishments of the Series 2013 Subordinate Lien Reserve Fund) of the Indenture. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits required by the provision of the Indenture described in this paragraph, deposits to each Subordinate Lien Reserve Fund shall be made on a proportionate basis.

(8) Eighth, on or before the twenty-fifth day of each month, the County may request withdrawal of amounts due for Rebate Liability (as defined in the Indenture).

(9) Ninth, the County may request withdrawal of amounts due on Unsecured Obligations.

(10) Tenth, the Trustee shall transfer the entire amount remaining in the Revenue Fund to the Capital Improvement Fund.

Rate Covenant

The Confirmed Plan of Adjustment shall include the County's obligation to comply with the Rate Resolution. The County adopts the Rate Resolution as part of the Indenture and thereby covenants and agrees that, so long as any of the Secured Obligations are Outstanding, it will keep the Rate Resolution in full force and effect and will comply with the terms of the Rate Resolution. The County's obligation to comply with the Rate Resolution is cumulative and in addition to its separate and independent covenant and agreement to comply with the terms and conditions of the Indenture as described in the following two paragraphs.

If the results of operations for the System for any Fiscal Year fail to comply with the Required Coverage Ratios, within 90 days after the beginning of the following Fiscal Year the County shall deliver to the Trustee (i) a revised schedule of rates and charges for System services, duly adopted by the County after the beginning of the prior Fiscal Year (or during the then current Fiscal Year), (ii) a forecast of results of operations for the then current Fiscal Year, and (iii) a certificate of the County's County Manager and Chief Financial Officer stating in effect that, after taking into account remedial action approved by the County (including such revised schedule of rates and charges), the County reasonably expects in good faith to be in compliance with the Required Coverage Ratios as of the end of such Fiscal Year.

If the results of operations of the System fail to comply with the Required Coverage Ratios for two consecutive Fiscal Years, within 60 days after the beginning of the following Fiscal Year the County shall retain an Independent Consultant to recommend a revised schedule of rates and charges for System services and other actions to improve the results of operations for the System in accordance with the following procedures: (1) the County shall notify the Trustee of the identity of the proposed Independent Consultant, and the Trustee shall send notice of such proposed engagement to the Holders containing information on how to object to the proposed Independent Consultant. If both the Holders of more than 50% of the outstanding principal amount of the Senior Lien Obligations and the Holders of more than 50% of the outstanding principal amount of the Subordinate Lien Obligations object to the identity of the County's proposed Independent Consultant in writing in accordance with the instructions of the Trustee within 15 calendar days of the giving of such notice, the Trustee shall provide notice to the County of the Holders' rejection of the County's proposed Independent Consultant together with the results of

voting. If the requisite percentages of Holders do not reject the County's proposed Independent Consultant in writing, the Trustee shall notify the County that the Holders have not rejected the County's proposed Independent Consultant; (2) if the Holders vote to reject the County's proposed Independent Consultant, the County shall propose a new Independent Consultant to the Trustee, and the process provided for in this paragraph shall be repeated until the requisite percentages of Holders do not reject the County's proposed Independent Consultant; and (3) within 45 days after the end of the last Holder notice and voting period provided for in this paragraph, the County shall deliver to the Trustee a report of the Independent Consultant containing (i) the Independent Consultant's recommendation for a revised schedule of rates and charges for System services, (ii) recommendations for other actions to improve the results of operations of the System, (iii) a forecast of results of operations for such Fiscal Year (taking into account the remedial actions recommended), and (iv) a statement by the Independent Consultant that, after taking into account remedial action recommended, it expects the County to be in compliance with the Required Coverage Ratios as of the end of such Fiscal Year. The engagement of an Independent Consultant shall be continued or renewed each Fiscal Year until the County has achieved compliance with the Required Coverage Ratios for a full Fiscal Year. A new or revised report must be delivered by the Independent Consultant in each Fiscal Year of the engagement. Pursuant to the Indenture, the County is required to adopt the Independent Consultant's recommended schedule of rates and charges not later than 30 days after the delivery of any such report to the Trustee and shall follow the other recommendations of the Independent Consultant to the extent feasible and lawful.

If the County undertakes the remedial action required by the Indenture as described in the preceding two paragraphs, the failure to achieve the Required Coverage Ratios in any one Fiscal Year shall not constitute an Indenture Default; provided, however, that (i) any default in the payment of Debt Service on Secured Obligations shall constitute an Indenture Default, and (ii) the failure to make a required transfer or deposit described in subparagraphs (1) through (5) under "Application of System Revenues" above will, after notice and the passage of time provided in the Indenture, constitute an Indenture Default. If the County undertakes the remedial action required by the two preceding paragraphs, the failure to achieve the Required Coverage Ratios in three consecutive Fiscal Years shall not constitute an Indenture Default if the County demonstrates compliance with the Required Coverage Ratios by substituting "115%" for "125%" in the ratio applicable to Senior Lien Obligations; otherwise, a failure to achieve the Required Coverage Ratios in three consecutive Fiscal Years shall constitute an Indenture Default, without regard to any provisions requiring notice or permitting an opportunity to cure, even if the County is undertaking remedial action.

Additional Secured Obligations

In the Indenture, the County has reserved the right to issue from time to time after delivery of the Warrants additional debt obligations secured by a pledge of the General Trust Estate and by the lien of the Indenture with respect to the General Trust Estate, either as additional Senior Lien Obligations on parity with the Series 2013-A Warrants, the Series 2013-B Warrants, and the Series 2013-C Warrants (but, while the Warrants are outstanding, only for the limited purposes described below) or as additional Subordinate Lien Obligations on parity with the Series 2013-D Warrants, the Series 2013-E Warrants and the Series 2013-F Warrants, as designated by the County (any such obligations, together with the Warrants, "Secured Obligations").

For so long as the Warrants are outstanding, the County may not issue additional Secured Obligations that are Senior Lien Obligations (except Senior Lien Reserve Fund Warrants) unless both of the following provisions are satisfied:

- (1) The additional Secured Obligations proposed to be issued as Senior Lien Obligations are issued for the purpose of refinancing existing Senior Lien Obligations; and
- (2) The additional Secured Obligations proposed to be issued as Senior Lien Obligations do not provide for Debt Service Requirements in any Fiscal Year in which existing Senior Lien Obligations are Outstanding in amounts in excess of the existing Debt Service Requirements for the Senior Lien Obligations to be refinanced by the proposed additional Secured Obligations.

When the Warrants are no longer Outstanding, the provisions set forth in the foregoing paragraphs (1) and (2) shall no longer apply to the issuance of additional Secured Obligations.

Issuance of additional Secured Obligations requires compliance by the County with certain requirements set forth in Section 8.2 of the Indenture. These requirements include the delivery of a Supplemental Indenture authorizing the issuance of such additional Secured Obligations and (except in the case of Reserve Fund Warrants) demonstration by the County of compliance with each of the following three tests as provided in paragraphs (A), (B) and (C) of Section 8.2(a)(2) of the Indenture:

Historical Compliance. The County shall deliver to the Trustee a certificate signed by an Authorized Issuer Representative and an Independent Certified Public Accountant containing (i) the actual amounts of Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service realized by the System in the most recently completed audited Fiscal Year, (ii) the actual Debt Service Requirements due and payable during such Fiscal Year on both Senior Lien Obligations and Subordinate Lien Obligations, and (iii) a calculation proving the resulting coverage ratios satisfy the Required Coverage Ratios.

Historical Pro Forma Test Assuming Issuance of Additional Secured Obligations. The County shall deliver to the Trustee a certificate signed by an Authorized Issuer Representative and an Independent Certified Public Accountant containing (i) the projected amounts of Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service realized by the System in the most recently completed audited Fiscal Year as modified by this paragraph, (ii) the projected Debt Service Requirements due and payable during such Fiscal Year on both then currently outstanding Senior Lien Obligations and Subordinate Lien Obligations and the additional Secured Obligations to be issued (as specified in this paragraph), and (iii) a calculation proving the resulting coverage ratios satisfy the Required Coverage Ratios. For purposes of the calculations required by clause (i) of this paragraph, if the County adopted a revised schedule of rates and charges for System services after the beginning of the prior audited Fiscal Year (or during the then current Fiscal Year) that are in effect as of the date of calculation, the County and the Independent Certified Public Accountant shall take such rates into account in computing Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service realized by the System as if such rates had actually been in effect for the entire prior audited Fiscal Year. For purposes of the calculations required by clause (ii) of this paragraph, the calculation of the Debt Service Requirements for the additional Secured Obligations to be issued shall be based upon the Debt Service Requirements for the first twelve months such additional Secured Obligations are outstanding.

Forecast Test. The County shall deliver to the Trustee a report of an Authorized Issuer Representative forecasting (i) the amounts of Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service expected to be realized by the System in the then current and each of the following four Fiscal Years, based on rates and charges for the System already adopted by the County and in effect on the date of calculation, (ii) the projected Debt Service Requirements on both Senior Lien Obligations and Subordinate Lien Obligations in the then current and each of the following four Fiscal Years (taking into account the additional Secured Obligations to be issued), and (iii) the resulting coverage ratios (calculated in accordance with the Required Coverage Ratios). For purposes of the calculations required by clause (i) of this paragraph, (a) the County may also take into account any increase in revenues reasonably projected by implementation of any improvements to the System financed with the proceeds of such additional Secured Obligations after such improvements are placed into service, and (b) the County may also take into account any increase in rates charged for System services reasonably expected to be implemented by the County during the then current or any of the following four Fiscal Years. For purposes of the calculations required by clause (ii) of this paragraph, the County shall take into account Debt Service Requirements on additional Secured Obligations reasonably expected to be issued during the then current or the following four Fiscal Years as if such additional Secured Obligations (x) were issued within such time period (y) have amortization schedules similar to and (z) bear interest at the same rate as the additional Secured Obligations for which the calculations required by this paragraph are made.

Notwithstanding the foregoing, additional Secured Obligations may be issued or incurred to refinance Outstanding Secured Obligations without compliance with the foregoing tests if, after giving effect to the application of the proceeds of such refunding Secured Obligations, Debt Service Requirements on all Secured Obligations outstanding on the date of issuance or incurrence of such refunding Secured Obligations (but excluding the refinanced Secured Obligations) will not be increased in the then current or any future Fiscal Year in which any Secured Obligations not being refunded are Outstanding.

Additional Secured Obligations issued after delivery of the Warrants may not be secured by or payable from any portion of the Trust Estate other than the General Trust Estate.

Reserve Fund Warrants

Contemporaneously with the Indenture, the County has authorized the Trustee to issue the Reserve Fund Warrants pursuant to the First Supplemental Indenture, but only upon the occurrence of a failure by the County to reimburse JPMorgan Chase Bank for draws by the Trustee on the Series 2013 Reserve Funds Letters of Credit. See "SUMMARY OF THE SERIES 2013 RESERVE FUNDS LETTERS OF CREDIT – Series 2013 Senior Lien Reserve Fund Letter of Credit" and " – Series 2013 Subordinate Lien Reserve Fund Letter of Credit" herein.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain provisions of the Indenture. The following is not intended to provide a complete description of the Indenture, nor is it intended to fully summarize the sections or provisions referenced below. Potential investors are encouraged to examine in full the form of Indenture attached as Appendix A hereto for information concerning the Indenture. Capitalized terms used below but not otherwise defined in this Official Statement shall have the meaning given to them in the form of Indenture attached as Appendix A hereto.

Indenture Funds

In the Indenture, the County has established certain funds and accounts, as follows:

Revenue Fund. In the Indenture, the County has established a special trust fund designated the "Revenue Fund." The Trustee is the depository, custodian and sole disbursing agent for the Revenue Fund. The Revenue Fund is part of the General Trust Estate and will be held by the Trustee for the benefit of the Holders of all Secured Obligations. All System Revenues shall be deposited in the Revenue Fund promptly as received by the County. Payments and transfers may be made from the Revenue Fund as described above under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS - Application of System Revenues." The County may make withdrawals from the Revenue Fund as described in Section 9.1(c) of the Indenture.

Series 2013 Senior Lien Debt Service Fund. In the Indenture, there is established a special trust fund designated the "Series 2013 Senior Lien Debt Service Fund." The Trustee is the depository, custodian and sole disbursing agent for the Series 2013 Senior Lien Debt Service Fund. The Series 2013 Senior Lien Debt Service Fund is a part of the Series 2013 Senior Lien Trust Estate and is held by the Trustee for the sole benefit of the Holders of the Series 2013 Senior Lien Obligations. Under the Indenture, deposits are to be made to the Series 2013 Senior Lien Debt Service Fund as follows:

(1) On or before the twenty-fifth day of each month, the Trustee shall deposit in the Series 2013 Senior Lien Debt Service Fund an amount equal to 1/6 of the interest payable on the Series 2013 Senior Lien Obligations on the next Interest Payment Date (plus any prior deficiencies); provided, however, that if the period from the date of issuance of the Series 2013 Senior Lien Obligations until the first Interest Payment Date is more or less than six months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of interest on the first Interest Payment Date.

(2) On or before the twenty-fifth day of each month, if the principal or Accreted Value of Series 2013 Senior Lien Obligations is payable within the next 12 months (whether at maturity or pursuant to scheduled mandatory redemption requirements), the Trustee shall deposit in the Series 2013 Senior Lien Debt Service Fund an amount equal to 1/12 of such principal amount or Accreted Value (plus any prior deficiencies); provided, however, that if the period from the date of issuance of the Series 2013 Senior Lien Obligations until such principal (or Accreted Value) is payable is less than 12 months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of such principal (or Accreted Value) on such first principal (or Accreted Value) payment date.

(3) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, if the amount on deposit in the Series 2013 Senior Lien Debt Service Fund is not sufficient for any reason to pay Debt Service due on Series 2013 Senior Lien Obligations on such Warrant Payment Date, the Trustee shall transfer money to the Series 2013 Senior Lien Debt Service Fund from the Series 2013 Senior Lien Reserve Fund as provided in Section 9.6(c)(1) of the Indenture.

The Trustee may claim a credit against certain of such deposits for the amount of investment earnings realized in, or transferred to, the Series 2013 Senior Lien Debt Service Fund that have not been credited against prior deposits. On each Warrant Payment Date, money in the Series 2013 Senior Lien Debt Service Fund shall be applied by the Trustee to pay Debt Service due on the Series 2013 Senior Lien Obligations.

Series 2013 Subordinate Lien Debt Service Fund. In the Indenture, there is established a special trust fund designated the "Series 2013 Subordinate Lien Debt Service Fund." The Trustee is the depository, custodian and sole disbursing agent for the Series 2013 Subordinate Lien Debt Service Fund. The Series 2013 Subordinate Lien Debt Service Fund is a part of the Series 2013 Subordinate Lien Trust Estate and is held by the Trustee for the sole benefit of the Holders of the Series 2013 Subordinate Lien Obligations. Under the Indenture, deposits are to be made to the Series 2013 Subordinate Lien Debt Service Fund as follows:

(1) On or before the twenty-fifth day of each month, the Trustee shall deposit in the Series 2013 Subordinate Lien Debt Service Fund an amount equal to 1/6 of the interest payable on the Series 2013 Subordinate Lien Obligations on the next Interest Payment Date; provided, however, that if the period from the date of issuance of the Series 2013 Subordinate Lien Obligations until the first Interest Payment Date is more or less than six months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of interest on the first Interest Payment Date.

(2) On or before the twenty-fifth day of each month, if the principal or Accreted Value of Series 2013 Subordinate Lien Obligations is payable within the next 12 months (whether at maturity or pursuant to scheduled mandatory redemption requirements), the Trustee shall deposit in the Series 2013 Subordinate Lien Debt Service Fund an amount equal to 1/12 of such principal amount (or Accreted Value); provided, however, that if the period from the date of issuance of the Series 2013 Subordinate Lien Obligations until such principal (or Accreted Value) is payable is less than 12 months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of such principal (or Accreted Value) on such first principal (or Accreted Value) payment date.

(3) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, if the amount on deposit in the Series 2013 Subordinate Lien Debt Service Fund is not sufficient for any reason to pay Debt Service due on Series 2013 Subordinate Lien Obligations due on such Warrant Payment Date, the Trustee shall transfer money to the Series 2013 Subordinate Lien Debt Service Fund from the Series 2013 Subordinate Lien Reserve Fund as provided in Section 9.7(c)(1) of the Indenture.

The Trustee may claim a credit against certain of such deposits for the amount of investment earnings realized in, or transferred to, the Series 2013 Subordinate Lien Debt Service Fund that have not been credited against prior deposits. On each Warrant Payment Date, money in the Series 2013 Subordinate Lien Debt Service Fund shall be applied by the Trustee to pay Debt Service due on the Series 2013 Subordinate Lien Obligations.

Operating Account. The County shall maintain an account (an "Operating Account") in its own name with a bank or financial institution selected by the County (which may include the Trustee's commercial banking department) for the payment of Operating Expenses. On or before the twenty-fifth day of each month, the Trustee shall transfer money to the Operating Account from the Revenue Fund in an amount, if any, required to make the balance in the Operating Account equal to the Required Operating Reserve. The County shall use money in the Operating Account solely for the payment of Operating Expenses.

If an Indenture Default exists, the Trustee may direct the County to transfer possession and control of the Operating Account to the Trustee. The County shall complete such transfer within five Business Days after receipt of such notice. While the Operating Account is in the possession and control of the Trustee as described in Section 9.5(d) of the Indenture, payments from the Operating Account may be made by the County pursuant to such procedures as the Trustee shall establish in its discretion. If an Indenture Default which causes a transfer of control of the Operating Account pursuant to the provisions of the Indenture hereby summarized no longer exists or is cured, then upon request of the County the Trustee shall transfer control of the Operating Account back to the County within five Business Days after receipt of such request.

Series 2013 Senior Lien Reserve Fund. There is established in the Indenture a special trust fund designated the "Series 2013 Senior Lien Reserve Fund." The Trustee is the depository, custodian and sole disbursing agent for the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund shall be part of the Series 2013 Senior Lien Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Senior Lien Obligations. On the date of issuance of the Series 2013 Senior Lien Obligations, the County shall deliver to the Trustee the Series 2013 Senior Lien Reserve Fund Letter of Credit. The Series 2013 Senior Lien Reserve Fund Letter of Credit shall be part of the Series 2013 Senior Lien Reserve Fund and shall meet each of the following requirements:

(1) The Series 2013 Senior Lien Reserve Fund Letter of Credit shall be irrevocable so long as Series 2013 Senior Lien Obligations are Outstanding and shall be irrevocably payable to the Trustee, as trustee for the benefit of the Holders of Series 2013 Senior Lien Obligations.

(2) The Series 2013 Senior Lien Reserve Fund Letter of Credit shall provide for payment at sight of a properly completed draw request by wire transfer in accordance with the written instructions of the Trustee.

(3) The Series 2013 Senior Lien Reserve Fund Letter of Credit shall provide for delivery of collateral to the Trustee should the rating maintained by any one Rating Agency with respect to [the long-term obligations of] JPMorgan Chase Bank fall to or below one of the following rating categories: [_____ (or its equivalent)] assigned by a Rating Agency at any time the Series 2013 Senior Lien Obligations are Outstanding. Collateral delivery shall not create an obligation of the County to reimburse JPMorgan Chase Bank, unless such collateral is withdrawn as provided in the immediately following paragraph. The required collateral shall be in the form of cash or Qualified Investments, which shall be deposited in a segregated account within the Series 2013 Senior Lien Reserve Fund to be held or returned by the Trustee subject to the provisions of the Series 2013 Collateral Support Agreement.

Withdrawals from the Series 2013 Senior Lien Reserve Fund will be made in the following order:

(1) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, the Trustee shall withdraw money in the Series 2013 Senior Lien Reserve Fund (other than collateral (if any) provided by JPMorgan Chase Bank pursuant to Section 9.6(b)(3) of the Indenture) and use such money to pay Debt Service on the Series 2013 Senior Lien Obligations, but only if money on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Senior Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(2) If the amount available under the preceding paragraph is insufficient to provide the funds necessary to prevent a default in the payment of Debt Service on the Series 2013 Senior Lien Obligations, on or before the twenty-fifth day of each month next preceding a Warrant

Payment Date with respect to Series 2013 Senior Lien Obligations, the Trustee shall draw upon the Series 2013 Senior Lien Reserve Fund Letter of Credit in the minimum amount of \$100,000, and the proceeds of such draw shall be used to pay Debt Service on the Series 2013 Senior Lien Obligations, but only if money on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Senior Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service. The balance of the proceeds of any draw not needed for transfer to the Series 2013 Senior Lien Debt Service Fund shall be deposited in the Series 2013 Senior Lien Reserve Fund.

(3) If the Trustee draws upon the Series 2013 Senior Lien Reserve Fund Letter of Credit and JPMorgan Chase Bank fails to honor such draw, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, the Trustee shall withdraw collateral (if any) provided by JPMorgan Chase Bank pursuant to Section 9.6(b)(3) of the Indenture in an amount up to the amount requested in such dishonored draw request and use such money to pay Debt Service on the Series 2013 Senior Lien Obligations, but only if money on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Senior Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

If any withdrawal from the Series 2013 Senior Lien Reserve Fund is made as described above, the Trustee shall, on or before the twenty-fifth day of each month after such withdrawal (in accordance with the priority specified in "SECURITY FOR PAYMENT OF WARRANTS; ADDITIONAL SECURED OBLIGATIONS – Application of System Revenues" herein), transfer money from the Revenue Fund to the Series 2013 Senior Lien Reserve Fund in an amount equal to the lesser of (i) 1/12 of the amount withdrawn or (ii) the amount required to restore the balance in the Series 2013 Senior Lien Reserve Fund to the Series 2013 Senior Lien Reserve Fund Requirement; provided that withdrawals made pursuant to Sections 9.6(e), 9.6(f) or 9.6(g) of the Indenture need not be reimbursed by the County.

The amount of the Series 2013 Senior Lien Reserve Fund Requirement as of the date of initial delivery of the Warrants is specified in the definition of the "Series 2013 Senior Lien Reserve Fund Requirement" in the Indenture and is set forth above under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS—Series 2013 Senior Lien Trust Estate." On or before October 1 of each year, the amount, if any, by which the cash balance in the Series 2013 Senior Lien Reserve Fund on any such determination date exceeds the Series 2013 Senior Lien Reserve Fund Requirement shall be transferred to the Series 2013 Senior Lien Debt Service Fund. The balance in the Series 2013 Senior Lien Reserve Fund shall be determined by valuing Qualified Investments on deposit at fair market value as of the date of determination (exclusive of accrued interest) and by valuing the Series 2013 Senior Lien Reserve Fund Letter of Credit on deposit at the then current amount of permissible draws available thereunder on the date of determination. Subject to the Series 2013 Collateral Support Agreement, to the extent collateral has been delivered by JPMorgan Chase Bank pursuant to Section 9.6(b)(3) of the Indenture, the Trustee shall not transfer the amount of such collateral under the provisions of Indenture described in this paragraph.

Notwithstanding the provisions of the Indenture regarding the Series 2013 Senior Lien Reserve Fund, if the terms of the Series 2013 Senior Lien Reserve Fund Letter of Credit allow for reinstatement, the County may direct the Trustee to make a withdrawal from the Series 2013 Senior Lien Reserve Fund by delivering a certificate for the purpose of optionally redeeming Senior Lien Reserve Fund Warrants, but only if (i) redemption of such Senior Lien Reserve Fund Warrants will have the effect of reinstating coverage under the Series 2013 Senior Lien Reserve Fund Letter of Credit in the amount of such withdrawal and (ii) the result of such withdrawal immediately after giving effect to reinstatement of the Series 2013 Senior Lien Reserve Fund Letter of Credit is that the County meets the Series 2013 Senior Lien Reserve Fund Requirement, taking into account amounts held in the Series 2013 Senior Lien Reserve Fund and the coverage provided by the Series 2013 Senior Lien Reserve Fund Letter of Credit; provided that collateral (if any) delivered by JPMorgan Chase Bank pursuant to Section 9.6(b)(3) shall not be used for this purpose. The Senior Lien Reserve Fund Letter of Credit may not be drawn upon to pay Debt Service due on optional redemption of the Series 2013 Senior Lien Obligations.

Series 2013 Subordinate Lien Reserve Fund. There is established in the Indenture a special trust fund designated the "Series 2013 Subordinate Lien Reserve Fund." The Trustee is the depository, custodian and

sole disbursing agent for the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund shall be part of the Series 2013 Subordinate Lien Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Subordinate Lien Obligations. On the date of issuance of the Series 2013 Subordinate Lien Obligations, the County shall deliver to the Trustee the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall be part of the Series 2013 Subordinate Lien Reserve Fund and shall meet each of the following requirements:

(1) The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall be irrevocable so long as Series 2013 Subordinate Lien Obligations are Outstanding and shall be irrevocably payable to the Trustee, as trustee for the benefit of the Holders of Series 2013 Subordinate Lien Obligations.

(2) The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall provide for payment on sight of a properly completed draw request by wire transfer in accordance with the written instructions of the Trustee.

(3) The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall provide for delivery of collateral to the Trustee should the rating maintained by any one Rating Agency with respect to [the long-term obligations of] JPMorgan Chase Bank fall to or below one of the following rating categories: [_____ (or its equivalent)] assigned by a Rating Agency at any time the Series 2013 Subordinate Lien Obligations are Outstanding. Collateral delivery shall not create an obligation of the County to reimburse JPMorgan Chase Bank, unless such collateral is withdrawn as provided in the immediately following paragraph. The required collateral shall be in the form of cash or Qualified Investments, which shall be deposited in a segregated account within the Series 2013 Subordinate Lien Reserve Fund to be held or returned by the Trustee subject to the provisions of the Series 2013 Collateral Support Agreement.

Withdrawals from the Series 2013 Subordinate Lien Reserve Fund shall be made in the following order of priority:

(1) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, the Trustee shall withdraw money in the Series 2013 Subordinate Lien Reserve Fund (other than collateral (if any) provided by JPMorgan Chase Bank pursuant to Section 9.7(b)(3) of the Indenture) and use such money to pay Debt Service on the Series 2013 Subordinate Lien Obligations, but only if money on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Subordinate Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(2) If the amount available for drawing under the preceding paragraph is insufficient to provide the funds necessary to prevent a default in the payment of Debt Service on the Series 2013 Subordinate Lien Obligations, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, the Trustee shall draw upon the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in the minimum amount of \$100,000, and the proceeds of such draw shall be used to pay Debt Service on the Series 2013 Subordinate Lien Obligations, but only if money on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Subordinate Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service. The balance of the proceeds of any draw not needed for transfer to the Series 2013 Subordinate Lien Debt Service Fund shall be deposited in the Series 2013 Subordinate Lien Reserve Fund.

(3) If the Trustee draws upon the Series 2013 Subordinate Lien Reserve Fund Letter of Credit and JPMorgan Chase Bank fails to honor such draw, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, the Trustee shall withdraw collateral (if any) provided by JPMorgan Chase Bank pursuant to Section 9.7(b)(3) of the Indenture in an amount up to the amount requested in such dishonored draw request and use such money to pay Debt Service on the Series 2013 Subordinate Lien Obligations, but only if money on deposit in the Series 2013 Subordinate Lien Debt Service

Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Subordinate Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

If any withdrawal from the Series 2013 Subordinate Lien Reserve Fund is made as described above, the Trustee shall, on or before the twenty-fifth day of each month after such withdrawal (in accordance with the priority specified in "SECURITY FOR PAYMENT OF WARRANTS; ADDITIONAL SECURED OBLIGATIONS – Application of System Revenues" herein), transfer money from the Revenue Fund to the Series 2013 Subordinate Lien Reserve Fund in an amount equal to the lesser of (i) 1/12 of the amount withdrawn or (ii) the amount required to restore the balance in the Series 2013 Subordinate Lien Reserve Fund to the Series 2013 Subordinate Lien Reserve Fund Requirement; provided that withdrawals made pursuant to Sections 9.7(e), 9.7(f) or 9.7(g) of the Indenture need not be reimbursed by the County.

The amount of the Series 2013 Subordinate Lien Reserve Fund Requirement as of the date of initial delivery of the Warrants is specified in the definition of the "Series 2013 Subordinate Lien Reserve Fund Requirement" in the Indenture and is set forth above under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS—Series 2013 Subordinate Lien Trust Estate." On or before October 1 of each year, the amount, if any, by which the cash balance in the Series 2013 Subordinate Lien Reserve Fund exceeds the Series 2013 Subordinate Lien Reserve Fund Requirement shall be transferred to the Series 2013 Subordinate Lien Debt Service Fund. The balance in the Series 2013 Subordinate Lien Reserve Fund shall be determined by valuing Qualified Investments on deposit at fair market value as of the date of determination (exclusive of accrued interest) and by valuing the Series 2013 Subordinate Lien Reserve Fund Letter of Credit on deposit at the then current amount of permissible draws available thereunder on the date of determination. Subject to the Series 2013 Collateral Support Agreement, to the extent collateral has been delivered by JPMorgan Chase Bank pursuant to Section 9.7(b)(3) of the Indenture, the Trustee shall not transfer the amount of such collateral under the provisions of the Indenture described in this paragraph.

Notwithstanding the provisions of the Indenture regarding the Series 2013 Subordinate Lien Reserve Fund, if the terms of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit allow for reinstatement, the County may direct the Trustee to make a withdrawal from the Series 2013 Subordinate Lien Reserve Fund by delivering a certificate for the purpose of optionally redeeming Subordinate Lien Reserve Fund Warrants, but only if (i) redemption of such Subordinate Lien Reserve Fund Warrants will have the effect of reinstating coverage under the Series 2013 Subordinate Lien Letter of Credit in the amount of such withdrawal and (ii) the result of such withdrawal immediately after giving effect to reinstatement of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit is that the County meets the Series 2013 Subordinate Lien Reserve Fund Requirement, taking into account amounts held in the Series 2013 Subordinate Lien Reserve Fund and the coverage provided by the Series 2013 Subordinate Lien Reserve Fund Letter of Credit; provided that collateral (if any) delivered by JPMorgan Chase Bank pursuant to Section 9.7(b)(3) of the Indenture shall not be used for this purpose. The Subordinate Lien Reserve Fund Letter of Credit may not be drawn upon to pay Debt Service due on optional redemption of the Series 2013 Subordinate Lien Obligations.

Capital Improvement Fund. There is established under the Indenture a trust fund designated the "Capital Improvement Fund." The Trustee shall be the depository, custodian and disbursing agent for the Capital Improvement Fund. The Capital Improvement Fund shall be part of the General Trust Estate and shall be held by the Trustee for the benefit of the Holders of all Secured Obligations.

On or before the twenty-fifth day of each month, if all payments and deposits required during such month by Section 9.2(a)(1) through (7) of the Indenture described in subparagraphs (1) through (7) under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS - Application of System Revenues" above have been made, the Trustee shall deposit the remaining money in the Capital Improvement Fund remaining money in the Revenue Fund pursuant to Section 9.2(a)(10) of the Indenture, but only to the extent the County has not requested funds from the Trustee for the purposes described in Sections 9.2(a)(8) and (9) of the Indenture. Money in the Capital Improvement Fund may be used for the following purposes:

- (1) If no Indenture Default exists, the County may withdraw money from the Capital Improvement Fund from time to time for the purpose of paying (A) costs of Capital Improvements to the System, (B) the purchase price of Secured Obligations purchased pursuant to the provisions of Section 6.2 of the Indenture, (C) the purchase price of Callable Warrants

purchased in lieu of optional redemption pursuant to the provisions of Section 7.9 of the Indenture, (D) amounts needed for optional redemption of Secured Obligations, or (E) amounts necessary to pay Rebate Liability, if the County delivers to the Trustee a requisition substantially in the form attached as Exhibit 9.8(c) to the Indenture, executed by an Authorized Issuer Representative.

(2) If money on deposit with the Trustee in the related Debt Service Fund is not sufficient for the timely payment of Debt Service due on Secured Obligations, the Trustee may transfer money from the Capital Improvement Fund to the related Debt Service Fund to the extent necessary for payment of such Debt Service.

(3) If money on deposit in the Operating Account is not sufficient for the timely payment of Operating Expenses, the County may direct the Trustee to transfer money from the Capital Improvement Fund to the Operating Account for the payment of Operating Expenses.

(4) On the date of issuance of any Secured Obligations, the County may direct the Trustee to transfer money from the Capital Improvement Fund to any related Secured Obligation Reserve Fund, subject to the terms and conditions of Section 8.2(a)(1)(G) of the Indenture.

Costs of Issuance Fund. In the Indenture, there is established with the Trustee a trust fund designated the "Costs of Issuance Fund." The Trustee shall be the depository, custodian and disbursing agent for the Costs of Issuance Fund. The Costs of Issuance Fund shall be part of the General Trust Estate. Money in the Costs of Issuance Fund shall be paid by the Trustee from time to time for the purpose of paying Costs of Issuance with respect to Secured Obligations.

Certain Covenants of the County

The following summarizes certain covenants made by the County under the Indenture. Prospective investors should examine the Indenture for all covenants and other agreements or commitments of the County respecting the Warrants made under the Indenture.

Encumbrance on Trust Estate. The County will not create any pledge, charge, encumbrance or lien of any kind on the Trust Estate or any part thereof prior to or on a parity with the lien of the Indenture, and will not create or permit any other lien on the Trust Estate or any part thereof except as permitted by the Indenture.

Payment of Secured Obligations. The County will pay, out of the Trust Estate, the debt service on the Secured Obligations as and when the same shall become due, and will deposit, from funds constituting a part of the Trust Estate, in the Indenture funds the amounts required to be deposited therein, all in accordance with the terms of the Secured Obligations and the Indenture.

Inspection of Records. The County will at any and all times, upon the request of the Trustee, afford and procure a reasonable opportunity for the Trustee by its representatives to inspect any books, records, reports and other papers of the County relating to the performance by the County of its covenants in the Indenture, and the County will furnish to the Trustee any and all information as the Trustee may reasonably request with respect to the performance by the County of its covenants in the Indenture.

Advances by Trustee. If the County shall fail to perform any of its covenants in the Indenture, the Trustee may, but shall not be required to, at any time and from time to time, make advances to effect performance of any such covenant on behalf of the County. Any money so advanced by the Trustee, together with interest at the Post-Default Rate, shall be repaid upon demand and such advances shall be secured under the Indenture prior and senior in right to any Secured Obligations.

Transfer of System. The County may transfer the System substantially as an entirety to another person if

(1) the person who acquires by conveyance or transfer the System substantially as an entirety (the "Successor") shall execute and deliver to the Trustee an instrument in form recordable and acceptable to the Trustee containing an assumption by such Successor of the due and punctual payment of

the Debt Service on the Secured Obligations and the performance and observance of every covenant and condition of the Secured Obligation Documents to be performed or observed by the County; and

(2) the County shall deliver to the Trustee a Favorable Tax Opinion.

Upon any conveyance or transfer of the System substantially as an entirety in accordance with the provisions of the Indenture as so described, the Successor shall succeed to, and be substituted for, and may exercise every right and power of, the County under the Indenture with the same effect as if such Successor had been named as the County herein. Upon any conveyance or transfer of the System substantially as an entirety as described above, the County shall be released from all further obligations of whatsoever type described under the Indenture.

Compliance with Tax Certificate and Agreement. The County will comply with the covenants and agreements on its part contained in the Tax Certificate and Agreement. Pursuant to Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), the County must monitor and pay over to the U.S. Treasury any Rebate Liability when due. Section 9.2(a)(8) of the Indenture permits the County to make withdrawals from the Revenue Fund for the purpose of paying Rebate Liability with respect to Secured Obligations.

Ownership and Operation of the System

In the Indenture, the County makes certain covenants respecting the ownership and operation of the System, as follows:

Keep the System in Good Repair. The County shall keep the System in good repair and efficient operating condition, making from time to time all needed repairs and replacements thereto, the cost of which shall be paid solely from System Revenues and the Sewer Tax Proceeds, and it will continuously operate the System in an economical and efficient manner. The County shall maintain and operate the System in accordance with all applicable federal and state law, including the Consent Decree, public bid laws and prudent industry practices.

Preservation of Priority of Pledge. The County will protect and preserve the priority of the pledge and assignment of the System Revenues imposed by the Indenture and will not grant or permit any encumbrance, pledge or lien on the System Revenues other than:

- (1) a lien on revenues from any sewer system acquired by the County after the date of delivery of the Indenture if such lien (i) was already in existence at the time of acquisition of such system by the County and (ii) is not renewed or extended by the County so that such lien applies to the System as it existed immediately prior to such acquisition;
- (2) a lien arising in the ordinary course of business described in Section 10.8(c)(1) of the Indenture; and
- (3) a lien that is subject and subordinate to the lien of the Indenture.

Encumbrances on Other System Assets. Liens on the System Revenues are not permitted except as provided in Section 10.8(b) of the Indenture. The County shall not grant or permit any encumbrance, pledge or lien on any other assets constituting part of the System other than:

- (1) liens arising in the ordinary course of business of operating the System (other than liens to secure debt), including (i) pledges or deposits to secure obligations under workmen's compensation laws or similar legislation, including liens of judgments thereunder which are not currently dischargeable, (ii) pledges or deposits to secure performance in connection with bids, tenders, contracts (other than contracts for the payment of money) or leases made in the ordinary course of business to which the County is a party as lessee, (iii) pledges or deposits to secure public or statutory obligations of the County, (iv) materialmen's, mechanics', carriers', workmen's, repairmen's, or other similar liens arising in the ordinary course of business, or deposits to obtain the release of such liens, provided that payment of the amount secured by such lien is not delinquent or payment is being contested in good faith by appropriate proceedings,

(v) liens resulting from any judgment that is being contested in good faith by appropriate proceedings if execution on such judgment is effectively stayed, and pledges or deposits to secure, or provided in lieu of, any surety, stay or appeal obligation with respect to any such judgment, (vi) leases made, or existing on assets acquired, in the ordinary course of business, (vii) zoning restrictions, easements, licenses, restrictions on the use of real property or minor irregularities in title thereto, which do not, in the opinion of the County, materially impair the use of such property in the operation of the business of the County or the value of such property for the purpose of such business, (viii) pledges or deposits to enable the County to maintain self-insurance or to participate in any self-insurance pools or trusts, and (ix) liens on money deposited by users of utility services as security for, or as prepayment of, the cost of utility services to be rendered by the County;

(2) restrictions or other liens on an asset created prior to, or as a condition of, the transfer of such asset to the County by an unrelated entity; and

(3) capitalized leases and other title retention agreements with respect to movable personal property or vehicles entered into in connection with the original acquisition of the asset.

Disposition of Portions of the System. The County shall not convey, transfer, sell, lease or otherwise dispose of any asset constituting part of the System (other than in the ordinary course of business) unless no Indenture Default exists when such disposition is made and such disposition meets one of the following tests:

(1) Such disposition is made pursuant to a transfer of substantially all of the assets of the County permitted by Section 10.6 of the Indenture.

(2) In the judgment of the County, the asset to be disposed of consists of property, plant or equipment that is obsolete, worn out, unprofitable, unsuitable or surplus and such disposition will not materially impair the structural soundness, efficiency or economic value of the remaining operating assets of the System.

(3) The property disposed of is real property, no portion of the County's operating assets are located on the property, and the County receives consideration in an amount not less than the fair market value of such property. The proceeds of such disposition shall either be deposited in the Capital Improvement Fund or used to redeem, Defeasor or purchase Secured Obligations, in the following order:

(A) First, Senior Lien Obligations; and

(B) Second, Subordinate Lien Obligations.

(4) The property disposed of constitutes part of the County's operating assets, and both of the following conditions are met:

(A) The County receives consideration in an amount not less than the fair market value of the asset disposed of.

(B) If such asset being disposed of has a fair market value on disposition of less than 2.5% of the aggregate value of current and noncurrent assets of the System, prior to the disposition of such asset the County delivers to the Trustee a report of an Independent Consultant (i) expressing the opinion that such disposition will not impair the safe and efficient operation of the remaining portions of the System and (ii) demonstrating expected compliance with the Required Coverage Ratios for the then current and each of the following four Fiscal Years; provided, that if the value of the asset being disposed of is less than \$1,000,000, the County may deliver a report of an Independent Certified Public Accountant. If the value of such asset being disposed of has a fair market value on disposition of an amount equal to or in excess of 2.5% of the aggregate value of current and noncurrent assets of the System, such report shall include a forecast of (x) the amount of Net Income Available for Debt Service to be

realized by the System in the then current and each of the following four Fiscal Years, based on rates and charges for the System already adopted by the County, (y) the projected Debt Service Requirements in the then current and each of the following four Fiscal Years, and (z) the resulting coverage ratios expressed in accordance with the definition of Required Coverage Ratios. Notwithstanding the foregoing, the fair market value of all assets disposed of in any Fiscal Year shall not exceed 5% of the aggregate value of current and noncurrent assets of the System.

The proceeds of such disposition shall either be deposited in the Capital Improvement Fund or used to redeem, Defease or purchase Secured Obligations in the following order:

- (Y) First, Senior Lien Obligations; and
- (Z) Second, Subordinate Lien Obligations.

Books and Records. The County shall maintain complete books and records pertaining to the System and all receipts and disbursements with respect thereto. All transactions shall be recorded within thirty days after the transaction giving rise to the entry.

Budget and Related Financial Data. Not later than the beginning of each Fiscal Year, the County shall deliver to the Trustee the following:

- (1) the operating budget of the System for such Fiscal Year and the County's calculation of the Required Operating Reserve for such Fiscal Year; and
- (2) the capital improvement budget of the System for such Fiscal Year.

The budget in effect for any Fiscal Year may be amended or revised by the County in accordance with changed circumstances and conditions at any time during such Fiscal Year. Any revised budget shall be delivered to the Trustee.

Audit Certificate. Not later than 270 days after the end of each Fiscal Year, the County shall deliver to the Trustee audited financial statements of the County for such Fiscal Year, including a report by the County's auditors with respect to such financial statements.

No Free Service. The County shall not furnish any free utility service to any person, including the State or any other political subdivision, provided that the County may waive impact fees for municipal facilities that will be used directly by a municipal governing body for carrying out their governmental functions.

Imposition of Liens for Failure to Pay. To the extent permitted by law, if the account of any customer of utility service supplied by the System shall remain unpaid after such account shall become due (or such longer period, if any, as may be required for compliance with applicable federal and state law), the County, after exhausting all reasonable collection efforts, shall promptly impose a lien upon the real property of such customer, but upon subsequent payment of the account, including any penalties which may be provided for in the applicable schedule of rates and charges, together with all costs associated with imposition of such lien, the County may release the lien imposed upon the real property of such customer.

Insurance. The County shall maintain insurance with respect to the System against such risks as are customarily insured against by utility systems similar in size and character to the System, including:

- (1) Insurance against loss or damage by fire or other casualty covered by the standard form of extended coverage endorsement at the time in use in the State, with loss retention or deductible amounts from coverage that, in the judgment of the County are customary and prudent for the System;
- (2) Self-insurance against liability for bodily injury to or death of persons (including the operation of vehicles owned or leased by the County and used in connection with the System),

in the minimum amounts of \$100,000 for bodily injury or death for one person in any single occurrence or \$300,000 in the aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence; provided, however, that the coverage required by the Indenture as described in this paragraph shall be increased should the law limiting the County's liability for such risks be amended to increase the County's exposure to such liability; and

(3) Workmen's compensation insurance respecting all employees of the System in such amount as is customarily carried by utility systems similar in size and character to the System; provided, that the County may, at its election, be self-insured for such risk to the extent customary at the time for utility systems similar in size and character to the System.

Events of Default

Any one or more of the following shall constitute an event of default (an "Indenture Default") under the Indenture (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) failure to pay Debt Service on any Secured Obligation when such Debt Service becomes due and payable, whether at its scheduled due date, by declaration of acceleration or call for redemption or otherwise; or

(b) failure by the County to make any Required Transfer or Deposit for more than 10 days after notice from the Trustee of such failure; or

(c) failure by the County to restore the Reserve Fund Requirement to the required balance within 13 months of the latest withdrawal from any Secured Obligation Reserve Fund; or

(d) default in the performance, or breach, of any covenant or warranty of the County in the Indenture (other than a covenant or warranty a default in the performance or breach of which is elsewhere in the Indenture specifically dealt with), and continuance of such default or breach for a period of 30 days after written notice of such default or breach, stating that such notice is a "notice of default" under the Indenture, has been given to the County by the Trustee, or to the County and the Trustee by the Holders of at least 25% in principal amount of either (1) the Outstanding Secured Obligations or (2) the Outstanding Senior Lien Obligations, unless, in the case of a default or breach that cannot be cured by the payment of money, the County initiates efforts to correct such default or breach within 30 days from the receipt of such notice and diligently pursues such action until the default or breach is corrected; or

(e) an Act of Bankruptcy by the County; or

(f) an event of default, as therein defined, shall occur under any Supplemental Indenture and any applicable grace or notice period shall expire.

Remedies and Other Provisions upon Events of Default

In the Indenture the following remedies are available upon an Event of Default:

Acceleration of Maturity by Trustee. If an Indenture Default exists, the Trustee may declare the principal of all Secured Obligations, the interest accrued thereon or the Accreted Value thereof to be due and payable immediately, by notice to the County, and upon any such declaration such Debt Service shall become immediately due and payable. At any time after such a declaration of acceleration has been made pursuant to these provisions, the Holders of a majority in principal amount of the Secured Obligations Outstanding may, by notice to the County and the Trustee, rescind and annul such declaration and its consequences if:

(1) the County has deposited with the Trustee a sum sufficient to pay

(A) all overdue installments of interest on all Secured Obligations,

(B) the principal of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,

(C) the Accreted Value of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,

(D) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Secured Obligations, and

(E) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(2) all Indenture Defaults, other than the nonpayment of the principal or Accreted Value of Secured Obligations which has become due solely by such declaration of acceleration, have been cured or have been waived as provided in Section 11.10 of the Indenture; and

(3) no less than a majority in principal amount of the Senior Lien Obligations Outstanding consent to any rescission and annulment of acceleration of the Secured Obligations by the Trustee.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereupon.

Acceleration of Maturity by Holders. If an Indenture Default exists, the Holders of not less than a majority in principal amount of the Outstanding Secured Obligations may declare the principal of all Secured Obligations, the interest accrued thereon or the Accreted Value thereof to be due and payable immediately, by notice to the County and to the Trustee, and upon any such declaration such Debt Service shall become immediately due and payable, provided that no acceleration of any Secured Obligations may be declared by the Holders thereof unless no less than a majority in principal amount of the Outstanding Senior Lien Obligations declare, or consent to a declaration of, acceleration of the Secured Obligations. At any time after such a declaration of acceleration has been made pursuant to these provisions, the Holders of a majority in principal amount of the Secured Obligations Outstanding may, by notice to the County and the Trustee, rescind and annul such declaration and its consequences if

(1) the County has deposited with the Trustee a sum sufficient to pay

(A) all overdue installments of interest on all Secured Obligations,

(B) the principal of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,

(C) the Accreted Value of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,

(D) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Secured Obligations, and

(E) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and

(2) all Indenture Defaults, other than the nonpayment of the principal or Accreted Value of Secured Obligations which has become due solely by such declaration of acceleration, have been cured or have been waived as provided in Section 11.10 of the Indenture; and

(3) no less than a majority in principal amount of the Senior Lien Obligations Outstanding consent to any rescission and annulment of acceleration of the Secured Obligations by the Holders.

No such rescission and annulment shall affect any subsequent default or impair any right consequent thereupon.

Receiver. If an Indenture Default exists, the Trustee shall be entitled, upon the order of any court of competent jurisdiction, to the appointment of a receiver for the System and the System Revenues. The court appointing such receiver may grant to such receiver all powers and duties permitted by law, including the power to operate and maintain the System, the power to establish rates and charges for utility services provided by the System, and the power to collect all System Revenues.

Enforcement of the Confirmed Plan of Adjustment. If an Indenture Default exists, the Trustee shall be entitled to petition the Bankruptcy Court or any other court of competent jurisdiction for an order enforcing the requirements of the Confirmed Plan of Adjustment, including an order compelling the County to take one or more of the following remedial actions:

- (1) increase rates charged for System services so that the System generates sufficient revenues to cure any default under the Indenture, or
- (2) specifically perform the terms of the Rate Resolution or the Indenture.

Rights and Remedies Cumulative. No right or remedy in the Indenture conferred upon or reserved to the Trustee or to the Holders of Secured Obligations is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given under the Indenture or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy under the Indenture, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Remedies Subject to Applicable Law. All rights, remedies and powers provided by the Indenture may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of the Indenture comprising remedies 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 the Indenture invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

Application of Money Collected Prior to Acceleration. So long as an Indenture Default exists and so long as the Trustee or the Holders have not elected the remedies described in Section 11.2(a) of the Indenture (respecting acceleration of maturity by the Trustee) or Section 11.2(b) of the Indenture (respecting acceleration of maturity by the Holders), any money collected by the Trustee from System Revenues and any other sums then held by the Trustee as part of the General Trust Estate, shall be applied by the Trustee in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any), Accreted Value, or interest, on the Secured Obligations:

First: To the payment of all undeducted amounts due the Trustee under Section 12.7 of the Indenture;

Second: To the payment to the Holders entitled thereto of all installments of interest (but not Accreted Value) then due on Senior Lien Obligations, in the order of the maturity of such amounts; and if the amount available shall not be sufficient to pay in full any particular installment or amount then due, then to payment ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any preference or priority;

Third: To the payment to the Holders entitled thereto of the unpaid principal (or premium, if any), Accreted Value or redemption price of any Senior Lien Obligations which shall have become due (other than Senior Lien Obligations called for redemption for which moneys are held pursuant to the provisions of Section 7.6 of the Indenture) in the order of their due dates; and if the amount available shall not be sufficient to pay in full all principal (or premium, if any) or Accreted Value due whether at maturity or by call for redemption on any particular date, then to the amount of such principal (or premium, if any) or Accreted Value, ratably, according to the amount of principal (or premium, if any) or Accreted Value due on such date, to the Holders entitled thereto, without any preference or priority;

Fourth: To payment of all amounts described in Section 9.2(a)(2) of the Indenture (See paragraph (2) under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS—Application of System Revenues" above), without regard to references to amounts due the Trustee, provided that, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such amounts described in Section 9.2(a)(2) of the Indenture, then to the payment of such amounts due, without any preference or priority, ratably according to the aggregate amount so due;

Fifth: To the payment to the Holders entitled thereto of all installments of interest (but not Accreted Value) then due on Subordinate Lien Obligations, in the order of the maturity of such amounts; and if the amount available shall not be sufficient to pay in full any particular installment or amount then due, then to payment ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any preference or priority;

Sixth: To the payment to the Holders entitled thereto of the unpaid principal (or premium, if any), Accreted Value or redemption price of any Subordinate Lien Obligations which shall have become due (other than Subordinate Lien Obligations called for redemption for which moneys are held pursuant to the provisions of Section 7.6 of the Indenture) in the order of their due dates; and if the amount available shall not be sufficient to pay in full all principal (or premium, if any) or Accreted Value due whether at maturity or by call for redemption on any particular date, to the amount of such principal (or premium, if any) or Accreted Value, ratably, according to the amount of principal (or premium, if any) or Accreted Value due on such date, to the Holders entitled thereto, without any preference or priority;

Seventh: To payment of all amounts described in Section 9.2(a)(4) of the Indenture (See paragraph (4) under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS—Application of System Revenues" above), without regard to references to amounts due the Trustee, provided that, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such amounts described in Section 9.2(a)(4) of the Indenture, then to the payment of such amounts due, without any preference or priority, ratably according to the aggregate amount so due; and

Eighth: To payment of amounts described in Sections 9.2(a)(5) through 9.2(a)(10) of the Indenture (See paragraphs (5) through (10) under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS—Application of System Revenues" above), in the order specified in such Sections.

Application of Money Collected Upon Acceleration. So long as an Indenture Default exists, and only upon acceleration of maturity of all Secured Obligations and only for so long as such acceleration is not rescinded or annulled, any money collected by the Trustee from System Revenues and any other sums then held by the Trustee as part of the General Trust Estate, shall be applied by the Trustee in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any), Accreted Value or interest, on the Secured Obligations:

First: To the payment of all undeducted amounts due the Trustee under Section 12.7 of the Indenture;

Second: To the payment of the whole amount then due and unpaid upon the Outstanding Senior Lien Obligations for principal or Accreted Value and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Senior Lien Obligations) on overdue principal or Accreted Value and on overdue installments of interest (including amounts due any provider of Credit Enhancement); and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Senior Lien Obligations, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and

Third: To the payment of the whole amount then due and unpaid upon the Outstanding Subordinate Lien Obligations for principal or Accreted Value and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Subordinate Lien Obligations) on overdue principal or Accreted Value and on overdue installments of interest (including amounts due any provider of Credit Enhancement); and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Subordinate Lien Obligations, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and

Fourth: To the payment of the remainder, if any, to the County or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

So long as an Indenture Default exists, if money in the General Trust Estate shall be insufficient to pay in full the whole amount so due and unpaid upon such Secured Obligations, then such amounts collected shall be applied by the Trustee in the order specified in paragraphs First through Fourth above (Section 11.3(b)(1) through (4) of the Indenture) to the payment of such amounts, and once such funds are insufficient to fully satisfy the County's obligation with respect to amounts payable in the order specified, then such remaining funds shall be distributed by the Trustee on a pro rata basis to persons entitled thereto, without any preference or priority according to the aggregate amount so due. Payments with respect to Security Obligations owned by or on behalf of the County shall be made only after all other Secured Obligations have been Defeased.

Any money held by the Trustee as part of the Trust Estate that is for the sole benefit of a specified series of Secured Obligations (including the Series 2013 Senior Lien Trust Estate and the Series 2013 Subordinate Lien Trust Estate) shall be applied to the amount due for principal (and premium, if any) and interest on such Secured Obligations without any preference or priority, ratably according to the aggregate amount so due on Secured Obligations of such series. The Trustee may apply funds on deposit for the sole benefit of a specified series of Secured Obligations prior to applying funds on deposit in the General Trust Estate to such series of Secured Obligations.

Notwithstanding the provisions of the preceding three paragraphs or the application of System Revenues as described above under "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS—Application of System Revenues," if an Indenture Default exists and is continuing, the Trustee (or a receiver on behalf of the Trustee) in its discretion may apply System Revenues to the extent necessary to (1) allow the County to preserve, maintain and operate the System prior to the payment of Debt

Service on Secured Obligations and prior to payment of amounts owed providers of Credit Enhancement, or (2) pay Rebate Liability (as defined in the Indenture).

Trustee May Enforce Claims without Possession of Secured Obligations. All rights of action and claims under the Indenture or the Secured Obligations may be prosecuted and enforced by the Trustee without the possession of any of the Secured Obligations or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Secured Obligations subject to and pursuant to the terms of the Indenture.

Limitation on Suits. No Holder of any Secured Obligation shall have any right to institute any proceeding, judicial or otherwise, under or with respect to the Indenture, or for the appointment of a receiver or trustee or for any other remedy under the Indenture, unless

- (a) such Holder has previously given notice to the Trustee of a continuing Indenture Default;
- (b) the Holders of not less than a majority in principal amount of the Outstanding Secured Obligations shall have made request to the Trustee to institute proceedings in respect of such Indenture Default in its own name as Trustee under the Indenture;
- (c) the Holders of not less than a majority in principal amount of the Senior Lien Obligations Outstanding deliver such request, or consent to any request, to the Trustee to institute proceedings in respect of an Indenture Default;
- (d) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- (e) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (f) no direction inconsistent with such request has been given to the Trustee during such 60-day period by either (1) the Holders of a majority in principal amount of the Outstanding Senior Lien Obligations or (2) the Holders of a majority in principal amount of the Outstanding Secured Obligations;

it being understood and intended that no one or more Holders of Secured Obligations shall have any right in any manner whatever by virtue of, or by availing of, any provision of the Indenture to affect, disturb or prejudice the lien of the Indenture or the rights or priority of any other Holders of Secured Obligations, or to obtain or to seek to obtain priority or preference over any other Holders or to enforce any right under the Indenture, except in the manner herein provided and, except as otherwise expressly provided in the Indenture, for the equal and ratable benefit of all Outstanding Secured Obligations according to their respective priority under the Indenture.

Unconditional Right of Holders of Secured Obligations to Payment. Notwithstanding any other provision in the Indenture, the Holder of any Secured Obligation shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Secured Obligation on the Maturity Date expressed in such Secured Obligation (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

Restoration of Positions. If the Trustee or any Holder of a Secured Obligation has instituted any proceeding to enforce any right or remedy under the Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Holder, then and in every such case the County, the Trustee and the Holders of Secured Obligations shall, subject to any determination in such proceeding, be restored to their former positions under the Indenture, and thereafter all rights and remedies of the Trustee and the Holders of Secured Obligations shall continue as though no such proceeding had been instituted.

Delay or Omission Not Waiver. No delay or omission of the Trustee or of any Holder of Secured Obligations to exercise any right or remedy accruing upon an Indenture Default shall impair any such right or remedy or constitute a waiver of any such Indenture Default or an acquiescence therein. Every right and remedy given by the remedies provisions of the Indenture or by law to the Trustee or to the Holders of Secured Obligations may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by such Holders, as the case may be.

Control by Holders of Senior Lien Obligations. The Holders of a majority in principal amount of the Outstanding Senior Lien Obligations shall have the right, during the continuance of an Indenture Default,

(a) to require the Trustee to proceed to enforce the Indenture, either by judicial proceedings for the enforcement of the payment of the Secured Obligations or otherwise, and

(b) to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under the Indenture, including the power to direct or withhold directions with respect to any remedy available pursuant to Section 11.2 of the Indenture; provided that

(1) such direction shall not be in conflict with any rule of law or the Indenture,

(2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and

(3) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders of either Senior Lien Obligations or Subordinate Lien Obligations not taking part in such direction.

Waiver of Past Defaults. Before any judgment or decree for payment of money due has been obtained by the Trustee, the Holders of not less than a majority in principal amount of the Outstanding Secured Obligations may, by notice to the Trustee and the County, on behalf of all Holders of Secured Obligations waive in writing any past default under the Indenture or under any other Secured Obligation Document and its consequences, except a default

(1) in the payment of Debt Service on any Secured Obligation, or

(2) in respect of a covenant or provision of the Indenture which under Article 13 of the Indenture cannot be modified or amended without the consent of the Holder of each Outstanding Secured Obligation affected;

provided that no waiver of any past default may be effected by the Holders unless not less than a majority in principal amount of the Outstanding Senior Lien Obligations consent to such waiver.

Upon any such waiver, such default shall cease to exist, and any Indenture Default arising therefrom shall be deemed to have been cured, for every purpose of the Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

Suits to Protect the Trust Estate. The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of the Indenture and to protect its interests and the interests of the Holders of Secured Obligations in the Trust Estate and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or

compliance with such enactment, rule or order would impair the security under the Indenture or be prejudicial to the interests of the Holders of Secured Obligations or the Trustee.

Amendments

Amendments Without Consent of Holders of Secured Obligations. Under the Indenture, an amendment of the Secured Obligation Documents for any of the following purposes may be made, or consented to, by the Trustee without the consent of the Holders of any Secured Obligations:

(a) to correct or amplify the description of any property at any time subject to the lien of the Secured Obligation Documents, or better to assure, convey and confirm unto any secured party any property subject or required to be subjected to the lien of the Secured Obligation Documents, or to subject to the lien of the Indenture, additional property; or

(b) to evidence the succession of another person to any Financing Participant and the assumption by any such successor of the covenants of such Financing Participant (provided that the requirements of the Indenture for such succession and assumption are otherwise satisfied); or

(c) to add to the covenants of any Financing Participant for the benefit of Holders of Secured Obligations and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants an event of default under the Secured Obligation Documents permitting the enforcement of all or any of the several remedies provided therein; provided, however, that with respect to any such covenant, such amendment may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available upon such default; or

(d) to surrender any right or power conferred upon any Financing Participant other than rights or powers for the benefit of Holders of Secured Obligations; or

(e) to cure any ambiguity or to correct any inconsistency, provided such action shall not adversely affect the interests of the Holders of Secured Obligations; or

(f) to appoint a separate agent of the County or the Trustee to perform any one or more of the following functions: (i) registration of transfers and exchanges of Secured Obligations and (ii) payment of Debt Service on the Secured Obligations; provided, however, that any such agent must be a bank or trust company with long-term obligations, at the time such appointment is made, in one of the three highest rating categories of at least one Rating Agency; or

(g) to facilitate and administer the addition of Credit Enhancement for the benefit of Holders of Secured Obligations, provided that such provisions do not adversely affect the interests of Holders of Secured Obligations not secured by such Credit Enhancement.

Amendments Requiring Consent of all Affected Holders of Secured Obligations. An amendment of the Secured Obligation Documents for any of the following purposes may be entered into, or consented to, by the Trustee only with the consent of the Holder of each Secured Obligation affected:

(a) to change the stated Maturity Date of the principal of, or any installment of interest on, any Secured Obligation, or reduce the principal amount or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which any Secured Obligation or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated Maturity Date thereof (or, in the case of redemption, on or after the redemption date); or

(b) to reduce the percentage in principal amount of the Outstanding Secured Obligations, the consent of whose Holders is required for any amendment of the Secured

Obligation Documents, or the consent of whose Holders is required for any waiver provided for in the Secured Obligation Documents; or

(c) to modify or alter the provisions of the proviso to the definition of the term "Outstanding"; or

(d) to modify any of the provisions of the section of the Indenture hereby summarized or Section 11.10 (regarding waivers of past defaults) of the Indenture, except to increase any percentage provided thereby or to provide that certain other provisions of the Secured Obligation Documents cannot be modified or waived without the consent of the Holder of each Secured Obligation affected thereby; or

(e) to permit the creation of any lien ranking prior to or on a parity with the lien of the Secured Obligation Documents with respect to any of the Trust Estate or terminate the lien of the Secured Obligation Documents on any property at any time subject hereto or deprive the Holder of any Secured Obligation of the security afforded by the lien of the Secured Obligation Documents; or

(f) to change the priority of payment of Secured Obligations, including the provisions of Section 9.2 and Section 11.3 (summarized above under "Application of Money Collected") of the Indenture regarding priority of payment of Senior Lien Obligations and Subordinate Lien Obligations; or

(g) to eliminate, reduce or delay the obligation of the County to make payments at times and in amounts sufficient to pay Debt Service on the Secured Obligations.

Amendments Requiring Majority Consent of Holders of Secured Obligations. An amendment of the Secured Obligation Documents for any purpose not described in the summaries above under Amendments Without Consent of Holders of Secured Obligations or Amendments Requiring Consent of all Affected Holders of Secured Obligations may be entered into, or consented to, by the Trustee only with the consent of both (a) the Holders of a majority in principal amount of Senior Lien Obligations Outstanding, and (b) the Holders of a majority in principal amount of all Secured Obligations Outstanding.

Discretion of the Trustee. The Trustee may in its discretion determine whether or not any Secured Obligations would be affected by any amendment of the Secured Obligation Documents and any such determination shall be conclusive upon the Holders of all Secured Obligations (including persons deemed Holders by another provision of the Indenture), whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith and the Trustee may conclusively rely on an Opinion of Counsel with respect to any such determination, so long as such reliance is in good faith.

Payment of Indenture Indebtedness; Satisfaction and Discharge of Indenture

Whenever all Indenture Indebtedness has been Defeased, then (i) the Indenture and all the liens, rights and interests created thereby shall cease, terminate and become null and void (except as to any surviving rights of transfer or exchange of Secured Obligations as provided for in the Indenture or the terms of such Secured Obligations), and (ii) the Trustee shall, upon the request of the County, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer and deliver to the County or upon the order of the County, all cash and securities then held by it under the Indenture as a part of the Trust Estate.

A Secured Obligation shall be deemed "Defeased" if:

(1) such Secured Obligation has been cancelled by the Trustee or delivered to the Trustee for cancellation, or

(2) such Secured Obligation shall have matured or been called for redemption and, on such Maturity Date or redemption date, money for the payment of Debt

Service on such Secured Obligation is held by the Trustee in trust for the benefit of the person entitled thereto, or

(3) a trust for the payment of such Secured Obligation has been established in accordance with Section 14.2 of the Indenture (respecting the establishment of a trust for payment of Debt Service on Secured Obligations).

Indenture Indebtedness other than Debt Service on the Secured Obligations shall be deemed "Defeased" whenever the County has paid, or made provisions satisfactory to the Trustee for payment of, all such Indenture Indebtedness.

Calculation of Percentage of Holders Taking Action

Notwithstanding any provision of the Indenture, the Accreted Value of an Outstanding Capital Appreciation Warrant or of an Outstanding Convertible Capital Appreciation Warrant (prior to the applicable Current Interest Commencement Date) shall be considered principal for the purpose of determining whether the Holders of a particular percentage in principal amount of Outstanding Secured Obligations shall have taken any action, including whether the Holders have given any direction, required any action, exercised any right or remedy, waived any default, removed any Trustee, appointed any successor Trustee or consented to any amendment of the Indenture.

Amounts Due and Unpaid After Act of Bankruptcy

For purposes of the priority as between Senior Lien Obligations and Subordinate Lien Obligations under Section 11.3 (summarized above under "Application of System Revenues") of the Indenture, amounts due and unpaid on the Senior Lien Obligations shall include all interest, fees and expenses accrued or accruing (or that would, absent an Act of Bankruptcy by the County, accrue) after any Act of Bankruptcy by the County in accordance with, at the time contemplated by and at the rate, if any, specified herein, whether or not the claim for such interest, fees or expenses is allowed, allowable, recognized or provable as a claim in any applicable bankruptcy, insolvency, reorganization, or similar proceeding with respect to the County, and whether or not any underlying Senior Lien Obligations are modified in any fashion during such proceeding (including pursuant to 11 U.S.C. § 1129(b)). In the event that the Holders of the Subordinate Lien Obligations receive any payments or funds in an amount in error or inconsistent with the rights of the Holders of the Senior Lien Obligations pursuant to, and in accordance with the priorities set forth in Section 3.1 (respecting the establishment of the security for payment of Secured Obligations) and Section 11.3 (summarized above under "Application of System Revenues") of the Indenture, and the provisions of the Indenture summarized in this paragraph, the Holders of the Senior Lien Obligations shall have a cause of action to collect any such amount.

SUMMARY OF SERIES 2013 RESERVE FUNDS LETTERS OF CREDIT

General

Pursuant to the Indenture, the County has established the Series 2013 Senior Lien Reserve Fund and the Series 2013 Subordinate Lien Reserve Fund, which are held by the Trustee as security for the Series 2013 Senior Lien Obligations and the Series 2013 Subordinate Lien Obligations, respectively. The Indenture requires the County to maintain the Series 2013 Senior Lien Reserve Fund Requirement in the Series 2013 Senior Lien Reserve Fund, and the Series 2013 Subordinate Lien Reserve Fund Requirement in the Series 2013 Subordinate Lien Reserve Fund, for so long as the Warrants are Outstanding.

Pursuant to the terms of the Indenture, in lieu of a cash deposit, the County will deposit the Series 2013 Senior Lien Reserve Fund Letter of Credit as Credit Enhancement to satisfy the Series 2013 Senior Lien Reserve Fund Requirement, and in lieu of a cash deposit, the County will deposit the Series 2013 Subordinate Lien Reserve Fund Letter of Credit as Credit Enhancement to satisfy the Series 2013 Subordinate Lien Reserve Fund Requirement.

The Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit will be issued by JPMorgan Chase Bank. For certain information relating to JPMorgan Chase Bank, see the subsection below entitled "Certain Information Respecting JPMorgan Chase Bank".

Series 2013 Senior Lien Reserve Fund Letter of Credit

Series 2013 Senior Lien Reserve Fund Letter of Credit. The Credit Enhancement to be initially deposited into the Series 2013 Senior Lien Reserve Fund is the Series 2013 Senior Lien Reserve Fund Letter of Credit issued by JPMorgan Chase Bank pursuant to that certain Reimbursement Agreement, dated as of December 1, 2013 (as amended and supplemented from time to time, the "Reimbursement Agreement"), by and between the County and JPMorgan Chase Bank. The Series 2013 Senior Lien Reserve Fund Letter of Credit is an irrevocable standby letter of credit that will be issued with a stated amount (as such stated amount may be decreased with each draw permitted and increased with each reinstatement permitted by the Series 2013 Senior Lien Reserve Fund Letter of Credit, the "Stated Amount") equal to the Series 2013 Senior Lien Reserve Fund Requirement and is payable to the Trustee. The Series 2013 Senior Lien Reserve Fund Letter of Credit is set to expire on the tenth (10th) day immediately following the final maturity date of the Series 2013 Senior Lien Obligations.

Draws under the Series 2013 Senior Lien Reserve Fund Letter of Credit. The Series 2013 Senior Lien Reserve Fund Letter of Credit provides for payment on sight of a properly completed draw request by wire transfer in accordance with the written instructions of the Trustee. Pursuant to the terms of the Indenture, if the money on deposit in the Series 2013 Senior Lien Debt Service Fund is insufficient on the twenty-fifth (25th) day next preceding a Warrant Payment Date to pay the regularly scheduled principal and interest coming due on the 2013 Senior Lien Obligations, then the Trustee shall take the following actions in the following order: (1) *first*, withdraw money on deposit in the Series 2013 Senior Lien Reserve Fund (not including the Series 2013 Senior Lien Reserve Fund Letter of Credit or the collateral, if any, posted by JPMorgan Chase Bank, as hereinafter described), and (2) *second*, to the extent that the money on deposit in the Series 2013 Senior Lien Reserve Fund described in *first* above is insufficient to pay such Debt Service on the next succeeding Warrant Payment Date, draw upon the Series 2013 Senior Lien Reserve Fund Letter of Credit in an amount necessary to pay such regularly scheduled principal and interest coming due on the next succeeding Warrant Payment Date, subject, however, to the Stated Amount of the 2013 Senior Lien Debt Service Reserve Fund Letter of Credit in effect on such date. The Trustee shall transfer funds obtained pursuant to the actions described in this paragraph to the Series 2013 Senior Lien Debt Service Fund for the payment of regularly scheduled principal of and interest on the Series 2013 Senior Lien Obligations on the next Warrant Payment Date.

Reinstatement of the Series 2013 Senior Lien Reserve Fund Letter of Credit. As more fully described below under "Senior Lien Reserve Fund Warrants," if, on or prior to the second anniversary of any draw, JPMorgan Chase Bank is reimbursed in full for such draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit, together with interest, if any, thereon, the Series 2013 Senior Lien Reserve Fund Letter of Credit will be reinstated to the extent of the principal amount of such reimbursement. After the second (2nd) anniversary of any such draw, the Series 2013 Senior Lien Reserve Fund Letter of Credit will not be subject to reinstatement to the extent of the principal amount of the draw that is not reimbursed on or prior to the second (2nd) anniversary.

Senior Lien Reserve Fund Warrants. Pursuant to the terms of the First Supplemental Indenture, upon a draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit, JPMorgan Chase Bank will receive from the Trustee certain Reserve Fund Warrants of the County (the "Senior Lien Reserve Fund Warrants") that will be issued at the time of a draw upon the Series 2013 Senior Lien Reserve Fund Letter of Credit and that will be secured by the General Trust Estate on parity with the Series 2013 Senior Lien Obligations. The Senior Lien Reserve Fund Warrants will not be secured by the Series 2013 Senior Lien Reserve Fund or by the Series 2013 Senior Lien Debt Service Fund. The Senior Lien Reserve Fund Warrants will additionally be secured by the Senior Lien Reserve Fund Warrant Debt Service Fund. In the event at any time there are Senior Lien Reserve Fund Warrants outstanding and there are insufficient moneys to make deposits in full to the Series 2013 Senior Lien Debt Service Fund and to the Senior Lien Reserve Fund Warrant Debt Service Fund, the Trustee shall make pro rata deposits to the Series 2013 Senior Lien Debt Service Fund and the Senior Lien Reserve Fund Warrant Debt Service Fund.

Each Senior Lien Reserve Fund Warrant shall bear interest at tiered interest rates over the term of such Senior Lien Reserve Fund Warrant, and the exact interest rates will be established prior to the sale of the Warrants. Interest on Senior Lien Reserve Fund Warrants shall be repaid starting on the next Warrant Payment Date immediately following issuance of the Senior Lien Reserve Fund Warrants and shall be payable semiannually on April 1 and October 1 of each year thereafter until the Senior Lien Reserve Fund Warrants are paid or redeemed.

Principal of the Senior Lien Reserve Fund Warrants shall generally be payable on an amortization schedule containing forty equal quarterly installments commencing on the later of (1) April 1, 2024 and (2) two

years from the date of the drawing related to the applicable Senior Lien Reserve Fund Warrant; provided that all unpaid principal of any Senior Lien Reserve Fund Warrant shall be payable no later than March 1, 2054.

All Senior Lien Reserve Fund Warrants are subject to redemption at par, plus accrued interest, on any Business Day.

Any Senior Lien Reserve Fund Warrant repaid in full, together with interest, if any, thereon, on or prior to the second (2nd) anniversary of the related draw under the Series 2013 Senior Lien Reserve Fund Letter of Credit will result in reinstatement of the Series 2013 Senior Lien Reserve Fund Letter of Credit in an amount equal to the principal amount of the Senior Lien Reserve Fund Warrant that is repaid. Drawings represented by each Senior Lien Reserve Fund Warrant not repaid, together with interest, if any, thereon, on or prior to the second (2nd) anniversary of the applicable drawing are no longer subject to reinstatement under the Series 2013 Senior Lien Letter of Credit.

As additional drawings are made under the Series 2013 Senior Lien Reserve Fund Letter of Credit, additional Senior Lien Reserve Fund Warrants will be issued in a principal amount equal to the amount of each drawing thereunder. If the Series 2013 Senior Lien Reserve Fund Letter of Credit has been drawn for the full Stated Amount available thereunder, the Series 2013 Senior Lien Reserve Fund Letter of Credit will no longer be available to the Trustee unless and until some or all of the related Senior Lien Reserve Fund Warrants have been repaid and the Stated Amount of the Series 2013 Senior Lien Reserve Fund Letter of Credit is reinstated as provided above.

Conditions for Delivery and Return of Collateral to Secure Series 2013 Senior Lien Reserve Fund Letter of Credit. If the senior long-term debt ratings of JPMorgan Chase Bank fall below certain levels to be determined by the County and JPMorgan Chase Bank prior to the sale of the Warrants and subject to satisfaction of the criteria of the Rating Agencies, JPMorgan Chase Bank will be required to post collateral in the form of cash or Qualified Investments (as defined in the Indenture) to secure the Series 2013 Senior Lien Reserve Fund Letter of Credit in the full Stated Amount then available under the Series 2013 Senior Lien Reserve Fund Letter of Credit. If JPMorgan Chase Bank does not make payment of a properly completed draw request subsequent to the posting of collateral, the Trustee is permitted to use the collateral it has received to fund such payment up to the amount requested in such draw request. Any collateral delivered to the Trustee must be returned to JPMorgan Chase Bank if its senior long-term debt ratings subsequently meet or exceed the levels to be determined. Delivery and return of collateral is expected to be governed by an agreement between the Trustee and JPMorgan Chase Bank (the "Collateral Agreement").

If JPMorgan Chase Bank fails to deliver collateral, the Trustee is authorized to draw in full on the remaining Stated Amount of the Series 2013 Senior Lien Reserve Fund Letter of Credit in accordance with the terms of the Collateral Agreement. This drawing shall constitute a collateral delivery by JPMorgan Chase Bank, to be held by the Trustee without immediate need for reimbursement, unless withdrawn by the Trustee and used to pay Debt Service on the Series 2013 Senior Lien Obligations.

Withdrawals of collateral to pay Debt Service by the Trustee result in the issuance of a Reserve Fund Warrant, which requires repayment by the County (see the subsection above entitled "Senior Lien Reserve Fund Warrants").

At any time, JPMorgan Chase Bank has the option to cancel the Series 2013 Senior Lien Reserve Fund Letter of Credit by fully funding the Senior 2013 Senior Reserve Fund with cash or Qualified Investments.

Series 2013 Subordinate Lien Reserve Fund Letter of Credit

Series 2013 Subordinate Lien Reserve Fund Letter of Credit. The Credit Enhancement to be initially deposited into the Series 2013 Subordinate Lien Reserve Fund is the Series 2013 Subordinate Lien Reserve Fund Letter of Credit issued by JPMorgan Chase Bank pursuant to that certain Reimbursement Agreement, dated as of December 1, 2013 (as amended and supplemented from time to time, the "Reimbursement Agreement"), by and between the County and JPMorgan Chase Bank. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit is an irrevocable standby letter of credit that will be issued with a stated amount (as such stated amount may be decreased with each draw permitted and increased with each reinstatement permitted by the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, the "Stated Amount") equal to the Series 2013 Subordinate Lien Reserve Fund Requirement and is payable to the Trustee. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit is set

to expire on the tenth (10th) day immediately following the final maturity date of the Series 2013 Subordinate Lien Obligations.

Draws under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit provides for payment on sight of a properly completed draw request by wire transfer in accordance with the written instructions of the Trustee. Pursuant to the terms of the Indenture, if the money on deposit in the Series 2013 Subordinate Lien Debt Service Fund is insufficient on the twenty-fifth (25th) day next preceding a Warrant Payment Date to pay the regularly scheduled principal and interest coming due on the 2013 Subordinate Lien Obligations, then the Trustee shall take the following actions in the following order: (1) *first*, withdraw money on deposit in the Series 2013 Subordinate Lien Reserve Fund (not including the Series 2013 Subordinate Lien Reserve Fund Letter of Credit or the collateral, if any, posted by JPMorgan Chase Bank, as hereinafter described), and (2) *second*, to the extent that the money on deposit in the Series 2013 Subordinate Lien Reserve Fund described in *first* above is insufficient to pay such Debt Service on the next succeeding Warrant Payment Date, draw upon the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in an amount necessary to pay such regularly scheduled principal and interest coming due on the next succeeding Warrant Payment Date, subject, however, to the Stated Amount of the 2013 Subordinate Lien Debt Service Reserve Fund Letter of Credit in effect on such date. The Trustee shall transfer funds obtained pursuant to the actions described in this paragraph to the Series 2013 Subordinate Lien Debt Service Fund for the payment of regularly scheduled principal of and interest on the Series 2013 Subordinate Lien Obligations on the next Warrant Payment Date.

Reinstatement of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. As more fully described below under "Subordinate Lien Reserve Fund Warrants," if, on or prior to the second anniversary of any draw, JPMorgan Chase Bank is reimbursed in full for such draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, together with interest, if any, thereon, the Series 2013 Subordinate Lien Reserve Fund Letter of Credit will be reinstated to the extent of the principal amount of such reimbursement. After the second (2nd) anniversary of any such draw, the Series 2013 Subordinate Lien Reserve Fund Letter of Credit will not be subject to reinstatement to the extent of the principal amount of the draw that is not reimbursed on or prior to the second (2nd) anniversary.

Subordinate Lien Reserve Fund Warrants. Pursuant to the terms of the First Supplemental Indenture, upon a draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, JPMorgan Chase Bank will receive from the Trustee certain Reserve Fund Warrants of the County (the "Subordinate Lien Reserve Fund Warrants") that will be issued at the time of a draw upon the Series 2013 Subordinate Lien Reserve Fund Letter of Credit and that will be secured by the General Trust Estate on parity with the Series 2013 Subordinate Lien Obligations. The Subordinate Lien Reserve Fund Warrants will not be secured by the Series 2013 Subordinate Lien Reserve Fund or by the Series 2013 Subordinate Lien Debt Service Fund. The Subordinate Lien Reserve Fund Warrants will additionally be secured by the Subordinate Lien Reserve Fund Warrant Debt Service Fund. In the event at any time there are Subordinate Lien Reserve Fund Warrants outstanding and there are insufficient moneys to make deposits in full to the Series 2013 Subordinate Lien Debt Service Fund and the Subordinate Lien Reserve Fund Warrant Debt Service Fund, the Trustee shall make pro rata deposits to the Series 2013 Subordinate Lien Debt Service Fund and the Subordinate Lien Reserve Fund Warrant Debt Service Fund. In accordance with the Indenture, Debt Service payable to the holders of Series 2013 Subordinate Lien Obligations will be subordinate to the payment of Debt Service on any outstanding Senior Lien Reserve Fund Warrants.

Each Subordinate Lien Reserve Fund Warrant shall bear interest at tiered interest rates over the term of such Subordinate Lien Reserve Fund Warrant, and the exact interest rates will be established prior to the sale of the Warrants. Interest on Subordinate Lien Reserve Fund Warrants shall be repaid starting on the next Warrant Payment Date immediately following issuance of the Subordinate Lien Reserve Fund Warrants and shall be payable semiannually on April 1 and October 1 of each year thereafter until the Subordinate Lien Reserve Fund Warrants are paid or redeemed.

Principal of the Subordinate Lien Reserve Fund Warrants shall generally be payable on an amortization schedule containing forty equal quarterly installments commencing on the later of (1) April 1, 2024 and (2) two years from the date of the drawing related to the applicable Subordinate Lien Reserve Fund Warrant; provided that all unpaid principal of any Subordinate Lien Reserve Fund Warrant shall be payable no later than March 1, 2054.

All Subordinate Lien Reserve Fund Warrants are subject to redemption at par, plus accrued interest, on any Business Day.

Any Subordinate Lien Reserve Fund Warrant repaid in full, together with interest, if any, thereon, on or prior to the second (2nd) anniversary of the related draw under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit will result in reinstatement of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in an amount equal to the principal amount of the Subordinate Lien Reserve Fund Warrant that is repaid. Drawings represented by each Subordinate Lien Reserve Fund Warrant not repaid, together with interest, if any, thereon, on or prior to the second (2nd) anniversary of the applicable drawing are no longer subject to reinstatement under the Series 2013 Subordinate Lien Letter of Credit.

As additional drawings are made under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, additional Subordinate Lien Reserve Fund Warrants will be issued in a principal amount equal to the amount of each drawing thereunder. If the Series 2013 Subordinate Lien Reserve Fund Letter of Credit has been drawn for the full Stated Amount available thereunder, the Series 2013 Subordinate Lien Reserve Fund Letter of Credit will no longer be available to the Trustee unless and until some or all of the related Subordinate Lien Reserve Fund Warrants have been repaid and the Stated Amount of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit is reinstated as provided above.

Conditions for Delivery and Return of Collateral to Secure Series 2013 Subordinate Lien Reserve Fund Letter of Credit. If the senior long-term debt ratings of JPMorgan Chase Bank fall below certain levels to be determined by the County and JPMorgan Chase Bank prior to the sale of the Warrants and subject to satisfaction of the criteria of the Rating Agencies, JPMorgan Chase Bank will be required to post collateral in the form of cash or Qualified Investments (as defined in the Indenture) to secure the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in the full Stated Amount then available under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. If JPMorgan Chase Bank does not make payment of a properly completed draw request subsequent to the posting of collateral, the Trustee is permitted to use the collateral it has received to fund such payment up to the amount requested in such draw request. Any collateral delivered to the Trustee must be returned to JPMorgan Chase Bank if its senior long-term debt ratings subsequently meet or exceed the levels to be determined. Delivery and return of collateral is expected to be governed by an agreement between the Trustee and JPMorgan Chase Bank (the "Collateral Agreement").

If JPMorgan Chase Bank fails to deliver collateral, the Trustee is authorized to draw in full on the remaining Stated Amount of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in accordance with the terms of the Collateral Agreement. This drawing shall constitute a collateral delivery by JPMorgan Chase Bank, to be held by the Trustee without immediate need for reimbursement, unless withdrawn by the Trustee and used to pay Debt Service on the Series 2013 Subordinate Lien Obligations.

Withdrawals of collateral to pay Debt Service by the Trustee result in the issuance of a Reserve Fund Warrant, which requires repayment by the County (see the subsection above entitled "Subordinate Lien Reserve Fund Warrants").

At any time, JPMorgan Chase Bank has the option to cancel the Series 2013 Subordinate Lien Reserve Fund Letter of Credit by fully funding the Subordinate 2013 Subordinate Reserve Fund with cash or Qualified Investments.

Certain Information Respecting JPMorgan Chase Bank

The information contained in this subsection entitled "Certain Information Respecting JPMorgan Chase Bank" relates to and has been obtained from JPMorgan Chase Bank for use in this Official Statement. No representation is made by the County or the Underwriters as to the accuracy or completeness of this information. The delivery of the Official Statement shall not create any implication that there has been no change in the affairs of JPMorgan Chase Bank since the date hereof, or that the information contained or referred to in this subsection is correct as of any time subsequent to its date.

JPMorgan Chase Bank is a wholly owned subsidiary of JPMorgan Chase & Co., a Delaware corporation whose principal office is located in New York, New York. JPMorgan Chase Bank offers a wide range

of banking services to its customers, both domestically and internationally. It is chartered and its business is subject to examination and regulation by the Office of the Comptroller of the Currency.

As of June 30th, 2013, JPMorgan Chase Bank had total assets of \$1,947.8 billion, total net loans of \$604.2 billion, total deposits of \$1,249.5 billion, and total stockholder's equity of \$151.5 billion. These figures are extracted from JPMorgan Chase Bank's unaudited Consolidated Reports of Condition and Income (the "Call Report") as of June 30, 2013, prepared in accordance with regulatory instructions that do not in all cases follow U.S. generally accepted accounting principles. The Call Report including any update to the above quarterly figures is filed with the Federal Deposit Insurance Corporation and can be found at www.fdic.gov.

Additional information, including the most recent annual report on Form 10-K for the year ended December 31, 2012, of JPMorgan Chase & Co., the 2012 Annual Report of JPMorgan Chase & Co., and additional annual, quarterly and current reports filed with or furnished to the Securities and Exchange Commission (the "SEC") by JPMorgan Chase & Co., as they become available, may be obtained without charge by each person to whom this Official Statement is delivered upon the written request of any such person to the Office of the Secretary, JPMorgan Chase & Co., 270 Park Avenue, New York, New York 10017 or at the SEC's website at www.sec.gov.

FEASIBILITY STUDY

General

The County has caused to be prepared a Municipal Advisor's Feasibility Study (the "Feasibility Study") respecting certain matters affecting the financial feasibility of the Warrants. The Feasibility Study was prepared by Galardi Rothstein Group (the "Feasibility Consultant") in collaboration with Brown and Caldwell, as consulting engineer to the County ("Brown and Caldwell"), relying on detailed information from the County's Environmental Services Department, which is the County department responsible for managing, operating, controlling and administering the System.

The Feasibility Consultant, in reaching its conclusions in Section 9.2 of the Feasibility Study, is relying on reviews, evaluations and conclusions of Brown and Caldwell, as described in Sections 1.2, 6.3 and 9.1 of the Feasibility Study, that the County's projected operating expenses and capital expenditures are reasonable.

PROSPECTIVE INVESTORS ARE ENCOURAGED TO REVIEW THE FEASIBILITY STUDY IN ITS ENTIRETY PRIOR TO MAKING AN INVESTMENT DECISION RESPECTING THE WARRANTS. The Feasibility Study is attached as Appendix E hereto.

Certain Projections and Forecasts; No Reliance on Plan of Adjustment Forecasts

The Feasibility Study contains, among other things, forecasts and projections (the "Feasibility Study Forecasts") respecting revenues, operating expenses, and capital expenditure requirements of the System for the fiscal years ended September 30, 2014 through and including September 30, 2023 (the "Feasibility Study Forecasts Period"). The major findings and conclusions of the Feasibility Study are set forth in Section 9.2 thereof, relying in part on the findings and conclusions of Brown and Caldwell set forth in Section 9.1 of the Feasibility Study.

On June 4, 2013, and in connection with the negotiation of the Plan of Adjustment, the County preliminarily approved a financing plan (the "Financing Plan"), which Financing Plan was subsequently amended by an amended financing plan preliminarily approved by the Commission on July 23, 2013, and again by a further amended financing plan approved by the Commission on October 31, 2013 (the "Amended Financing Plan"). The Financing Plan and the Amended Financing Plan contain various projections and forecasts, including those of revenues, operating expenses, and capital expenditure requirements of the System for the fiscal years ended September 30, 2014 through and including September 30, 2053 (all such projections and forecasts, the "Plan of Adjustment Forecasts"). Neither the Financing Plan nor the Amended Financing Plan (including, without limitation, the Plan of Adjustment Forecasts) are part of this Official Statement. **The County advises prospective investors that they should not rely on the Amended Financing Plan (including, without limitation, the Plan of Adjustment Forecasts) when deciding whether to purchase the Warrants.** Instead, prospective purchasers should refer solely to the projections contained in the Feasibility Study, which has been prepared specifically for purposes of use in connection with this Official Statement.

THE PLAN OF ADJUSTMENT FORECASTS SHOULD NOT BE CONSULTED, CONSIDERED, RELIED UPON OR OTHERWISE USED BY PROSPECTIVE INVESTORS IN THE WARRANTS.

The Feasibility Study addresses the County's projected capital expenditure requirements only through the term of the Feasibility Study Forecasts Period. Funds to finance capital expenditures for the System following the Feasibility Study Forecasts Period, to the extent not covered by Sewer Revenues, may require additional borrowings by the County, increases in System rates beyond those contemplated in the Rate Resolution, or a combination of both. The County can provide no assurance with respect to such rate increases or that it will be able to effect such additional borrowings. See "RISK FACTORS – Rate Covenant and Limits on Future Rate Increases" and "RISK FACTORS – Limits on Future Borrowing."

Estimated Coverage

Based upon the findings, conclusions and other information hereinabove described in this section the Feasibility Study contains the following table, which presents the projected annual debt service coverage on the proposed Warrants from estimated System Revenues following issuance of the Warrants for the fiscal years of the County ending September 30, 2013 through and including September 30, 2023^{1,2}:

Projected Senior Lien and Subordinate Lien Debt Service Coverage^{1,2}

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Revenues | 162.4 | 174.3 | 184.6 | 194.3 | 204.4 | 217.3 | 223.6 | 230.1 | 236.8 | 243.6 | 251.6 |
| - Tax Revenues ³ | (5.7) | (6.0) | (6.1) | (6.2) | (6.4) | (6.5) | (6.6) | (6.8) | (6.9) | (7.0) | (7.2) |
| - Intergovernmental Revenues ⁴ | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) |
| Total Operating Revenues | \$156.7 | \$168.2 | \$178.4 | \$187.9 | \$197.9 | \$210.7 | \$216.9 | \$223.2 | \$229.8 | \$236.5 | \$244.3 |
| Operating Expenses | 56.1 | 67.2 | 64.7 | 66.4 | 68.0 | 68.2 | 70.2 | 71.6 | 76.1 | 78.4 | 80.8 |
| - Tax Revenues ³ | (5.7) | (6.0) | (6.1) | (6.2) | (6.4) | (6.5) | (6.6) | (6.8) | (6.9) | (7.0) | (7.2) |
| Total Operating Expense | \$50.4 | \$61.2 | \$58.6 | \$60.1 | \$61.6 | \$61.7 | \$63.6 | \$64.8 | \$69.2 | \$71.4 | \$73.6 |
| Net Revenue Available for Debt Service | \$106.3 | \$107.0 | \$119.8 | \$127.8 | \$136.3 | \$149.0 | \$153.3 | \$158.4 | \$160.5 | \$165.1 | \$170.7 |
| Senior Lien Debt Service | - | \$19.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 |
| Projected Senior Lien Coverage⁵ | 5.62 | 5.21 | 5.55 | 5.92 | 6.47 | 6.66 | 6.66 | 6.89 | 6.98 | 7.18 | 7.42 |
| Net Revenues for Subordinate Debt | - | \$88.0 | \$96.8 | \$104.8 | \$113.3 | \$126.0 | \$130.3 | \$135.4 | \$137.5 | \$142.1 | \$147.7 |
| Subordinate Lien Debt Service | - | \$40.8 | \$51.5 | \$56.4 | \$61.7 | \$61.5 | \$47.5 | \$47.5 | \$56.2 | \$58.0 | \$61.3 |
| Projected Subordinate Lien Coverage⁵ | 2.15 | 1.88 | 1.85 | 1.83 | 2.05 | 2.74 | 2.85 | 2.44 | 2.44 | 2.45 | 2.41 |
| Senior and Subordinate Lien Debt Service | - | \$59.8 | \$74.5 | \$79.4 | \$84.7 | \$84.4 | \$70.5 | \$70.5 | \$79.2 | \$81.0 | \$84.3 |
| Projected Total Debt Service Coverage⁵ | 1.78 | 1.60 | 1.60 | 1.60 | 1.60 | 1.76 | 2.17 | 2.24 | 2.02 | 2.03 | 2.02 |

1 - All numbers in millions of dollars.

2 - Slight calculation discrepancies may exist due to rounding.

3 - Tax revenues may not be included as pledged revenues to establish debt service coverage, but may be shown as an offset to System operating expenses.

4 - Intergovernmental revenues may not be included as pledged revenues to establish debt service coverage.

5 - Debt service coverage metrics rounded down to the second significant digit.

DEBT SERVICE REQUIREMENTS

Estimated Debt Service Requirements

The following table presents the estimated annual debt service requirements of the County on the Warrants, which will be the only obligations of the County payable from the Trust Estate immediately following issuance of the Warrants and the completion of the transactions with respect thereto under the Confirmed Plan of Adjustment.

| <u>Fiscal Year</u> | <u>Series 2013 Senior Lien Warrants*</u> | <u>Series 2013 Subordinate Lien Warrants*</u> | <u>Total*</u> |
|--------------------|--|---|--------------------|
| 2014 | \$19,013,021 | \$40,746,699 | \$59,759,720 |
| 2015 | 22,968,750 | 51,439,200 | 74,407,950 |
| 2016 | 22,968,750 | 56,378,450 | 79,347,200 |
| 2017 | 22,968,750 | 61,670,200 | 84,638,950 |
| 2018 | 22,968,750 | 61,394,200 | 84,362,950 |
| 2019 | 22,968,750 | 47,439,700 | 70,408,450 |
| 2020 | 22,968,750 | 47,439,700 | 70,408,450 |
| 2021 | 22,968,750 | 56,144,700 | 79,113,450 |
| 2022 | 22,968,750 | 57,945,925 | 80,914,675 |
| 2023 | 22,968,750 | 61,196,750 | 84,165,500 |
| 2024 | 31,773,948 | 109,357,667 | 141,131,616 |
| 2025 | 36,473,948 | 109,357,667 | 145,831,616 |
| 2026 | 41,373,948 | 109,357,667 | 150,731,616 |
| 2027 | 46,448,948 | 109,357,667 | 155,806,616 |
| 2028 | 51,723,948 | 109,357,667 | 161,081,616 |
| 2029 | 47,853,948 | 118,617,667 | 166,471,616 |
| 2030 | 47,853,948 | 124,207,667 | 172,061,616 |
| 2031 | 47,848,948 | 129,997,667 | 177,846,616 |
| 2032 | 47,853,948 | 135,977,667 | 183,831,616 |
| 2033 | 47,853,948 | 142,152,667 | 190,006,616 |
| 2034 | 47,848,948 | 148,537,667 | 196,386,616 |
| 2035 | 47,853,948 | 155,132,667 | 202,986,616 |
| 2036 | 47,848,948 | 161,992,667 | 209,841,616 |
| 2037 | 47,855,056 | 169,072,667 | 216,927,724 |
| 2038 | 47,852,597 | 176,437,667 | 224,290,264 |
| 2039 | 47,847,527 | 184,005,582 | 231,853,108 |
| 2040 | 47,854,314 | 191,867,328 | 239,721,642 |
| 2041 | 47,850,922 | 185,231,839 | 233,082,761 |
| 2042 | 47,855,344 | 121,539,213 | 169,394,557 |
| 2043 | 47,848,750 | 127,872,847 | 175,721,597 |
| 2044 | 47,854,850 | 134,424,764 | 182,279,614 |
| 2045 | 47,852,238 | 141,191,878 | 189,044,116 |
| 2046 | 47,850,706 | 148,201,667 | 196,052,373 |
| 2047 | 47,849,131 | 155,537,167 | 203,386,298 |
| 2048 | 47,851,081 | 163,103,233 | 210,954,314 |
| 2049 | 47,854,513 | 170,993,899 | 218,848,412 |
| 2050 | 47,852,075 | 179,104,500 | 226,956,575 |
| 2051 | 47,851,419 | 187,585,775 | 235,437,194 |
| 2052 | 47,854,275 | 196,380,525 | 244,234,800 |
| 2053 | <u>47,851,763</u> | <u>206,077,500</u> | <u>253,929,263</u> |
| Total | \$1,629,829,656 | \$5,043,828,246 | \$6,673,657,915 |

* Preliminary; subject to change. Based on estimated combined True Interest Cost of 6.9%.

JEFFERSON COUNTY SEWER SYSTEM

This section contains certain summary information regarding the System. **THE FOLLOWING IS NOT INTENDED TO COVER OR SUMMARIZE ALL MATERIAL ELEMENTS OF THE SYSTEM. PROSPECTIVE INVESTORS ARE ENCOURAGED TO READ, IN ITS ENTIRETY, THE MUNICIPAL ADVISOR'S FEASIBILITY STUDY ATTACHED AS APPENDIX E HERETO, WHICH CONTAINS, AMONG OTHER THINGS, DETAILED INFORMATION REGARDING THE SYSTEM, ITS OPERATIONS, THE CURRENT PHYSICAL CONDITION OF MATERIAL COMPONENTS OF THE SYSTEM, REVENUE, OPERATING EXPENSE AND CAPITAL EXPENDITURE FORECASTS FOR THE NEXT TEN YEARS, AND OTHER RELEVANT INFORMATION.**

Legislative and Constitutional Authority

Act No. 714 of the Alabama Legislature, enacted February 28, 1901, authorized the construction, maintenance and operation of the System in the County by the Jefferson County Sanitary Commission (which Act No. 714 created). Act No. 716, also enacted February 28, 1901, provided for the issuance of bonds for sewer purposes and for the levy of the Sewer Tax. On August 19, 1909, Act No. 48 was enacted into law to transfer the rights, duties and powers with respect to the System from the Jefferson County Sanitary Commission to the Commission (which at the time said act was enacted was referred to as the "Board of Revenue of the County"). Pursuant to these acts, municipalities in the County may construct their own sewage collection systems which connect to trunk or branch lines of the System. Private sewer systems, if any, may also be connected to the System with the permission of the Commission. In addition to building trunk and branch lines, the Commission is also authorized to locate and build wastewater treatment plants to carry out its legislative charge to protect the sources of drinking water supply from pollution.

Amendment No. 73 to the Constitution of Alabama of 1901 ("Amendment 73"), adopted in 1948, grants to the governing body of the County the "full power and authority" to levy and collect sewer service charges from the users of the System. Amendment 73 provides that the Commission shall have a lien against any property served by the System to secure the payment of any related sewer service charges. Any such lien may be enforced by foreclosure in the same manner as municipal assessments for public improvements. Under Amendment 73, any moneys derived by the County from sewer service charges may be expended only for purposes related to the improvement, extension, maintenance and operation of the System.

Rate Setting Authority. Pursuant to Amendment 73, the governing body of the County has sole authority to set sewer rates and charges for the System and to provide for the collection, payment and enforcement thereof. In 1984, the Alabama Supreme Court confirmed the County's authority to set rates for sewer service, and held unconstitutional an attempt by the Alabama Legislature to limit that authority. Since the County rate making authority is constitutionally granted, that authority can only be changed by further constitutional amendment. In order to amend the Alabama Constitution, a bill or joint resolution must be introduced and read at length on three different days in each of the Alabama House of Representatives and the Alabama Senate, and must pass each house by a three-fifths vote of all members elected. If so approved, the amendment is submitted to the voters of the State at an election held not less than three months after adjournment of the session of the Alabama Legislature in which the amendment is proposed. If a majority of those voting at the State-wide election approve the amendment, it becomes part of the Alabama Constitution.

Rates and charges for use of the System are set pursuant to the Charge Ordinance, which sets out pertinent defined terms and describes in detail the policies and procedures by which bills are calculated, and the Approved Rate Structure. See "Charge Ordinance and Approved Rate Structure" below.

Charge Ordinance and Approved Rate Structure

On November 6, 2012, the Commission adopted the Charge Ordinance. The Charge Ordinance establishes charges for users of the System, and contains the Commission's determination of reasonable and nondiscriminatory rules and regulations fixing rates and charges for service from the System, and provisions for payment, collection and enforcement thereof. The Charge Ordinance applies to all users of the System within the County and to persons outside the County who are, by contract or agreement with the County, users of the System.

Under the Charge Ordinance, each user pays (i) a monthly base charge that varies depending on meter size, and (ii) volumetric charges (measured on a per-hundred cubic feet ("CCF") basis) that vary depending on whether the user is classified as residential or non-residential and, for residential users, that vary based on the level of the user's consumption. The Charge Ordinance also specifies certain industrial waste surcharges and the fees for discharging hauled wastewater and septage into the System, and certain miscellaneous fees and charges, including fees for inspections, permits, returned checks, and the like. All such fees and charges for use of the System are collectively referred to as "User Charges."

Pursuant to the Charge Ordinance, the Commission approved a rate structure effective March 1, 2013, for User Charges. On September 23, 2013, in accordance with the Plan of Adjustment and in connection with the anticipated issuance of the Warrants, the Commission adopted by a vote of 3 to 2 the Rate Resolution, which enacted a revised rate structure for User Charges, which are subject to increase in the future to fund repayment of the Warrants (the "Approved Rate Structure"). Copies of the Charge Ordinance and the Approved Rate Structure are attached as Appendix F hereto.

The following table shows the primary components of the Approved Rate Structure as presently in effect:

| Charge Description | Amount |
|---|---------------------------------|
| Monthly base charge (5/8" meter) | \$15.00 |
| Monthly base charge (3/4" meter) | \$16.50 |
| Monthly base charge (1" meter) | \$21.00 |
| Monthly base charge (1.5" meter) | \$27.00 |
| Monthly base charge (2" meter) | \$43.50 |
| Monthly base charge (3" meter) | \$165.00 |
| Monthly base charge (4" meter) | \$210.00 |
| Monthly base charge (6" meter) | \$315.00 |
| Monthly base charge (8" meter) | \$435.00 |
| Monthly base charge (10" meter) | \$555.00 |
| Non-residential block volumetric charge | \$7.87 per CCF |
| Residential block volumetric charge (first three CCF) | \$4.50 per CCF |
| Residential block volumetric charge (next three CCF) | \$7.00 per CCF |
| Residential block volumetric charge (additional CCF) | \$8.00 per CCF |
| Surcharge for BOD (300 mg/l strength) | \$0.8284 per pound |
| Surcharge for COD (750 mg/l strength) | \$0.4142 per pound |
| Surcharge for TSS (300 mg/l strength) | \$0.2734 per pound |
| Surcharge for FOG (50 mg/l strength) | \$0.1715 per pound |
| Surcharge for TP (4 mg/l strength) | \$3.2650 per pound |
| Septage and domestic wastewater charge | \$60.00 per 1,000 gallons |
| Private meter application processing fee | \$12.00 per application |
| Sewer impact fees for new connections to the system | \$225.00 per fixture |
| Connection fee for properties currently on septic | \$100.00 |
| Impact fee refund charge (1-10 fixtures) | \$20.00 |
| Impact fee refund charge (11-50 fixtures) | \$30.00 |
| Impact fee refund charge (more than 50 fixtures) | \$50.00 |
| Connection permit (pre-installation) | \$50.00 |
| Connection permit (post-installation) | \$550.00 |
| Repair permit (pre-installation) | \$50.00 |
| Repair permit (post-installation) | \$550.00 |
| Tap permit | \$150.00 |
| Disconnection permit | \$25.00 |
| Grease trap annual inspection fee (1-5 units) | \$300.00 |
| Grease trap annual inspection fee (6-10 units) | \$500.00 |
| Grease trap annual inspection fee (additional units) | \$200.00 per 5 additional units |
| Grease trap non-compliance fee | \$400.00 |
| Grease trap re-inspection fee | \$400.00 |
| Grease trap exemption fee | \$300.00 |
| Grease trap waste charge | \$75.00 per 1,000 gallons |
| Lien recording fee | \$16.00 |
| Lien satisfaction fee | \$16.00 |
| Return check fee | \$30.00 |
| Payoff amount | \$4.00 per sheet |

Residential customers are given a 15% credit for water that does not enter the customer's sewer lines at their home, though residential customers who install a private meter in accordance with County regulations are not entitled to the 15% credit.

Under the Rate Resolution, the first increases in User Charges under the Approved Rate Structure became effective as of November 1, 2013. If the Effective Date of the Confirmed Plan of Adjustment occurs by January 1, 2014, User Charges will increase by 7.89% annually effective November 1 of 2014 and October 1 of 2015, 2016, and 2017; and by 3.49% annually effective October 1 of each successive year from 2018 through the term of the Warrants. These increases go into effect without further action by the Commission. The Rate Resolution allows the Commission to examine costs, debt service requirements on Secured Obligations, revenues and other factors and increase or decrease charges.

Without limitation, provisions in the Plan of Adjustment regarding the Rate Resolution and the Approved Rate Structure address the confirmation requirements set forth in Section 1129(a)(6) of the Bankruptcy Code, which requires that any governmental regulatory commission with jurisdiction, after confirmation of a Chapter 9 plan, over the rates of the debtor must approve any rate change provided for in the plan, or such rate change must be expressly conditioned on such approval. It is intended that the Confirmation Order, including the requirement that the County adopt and maintain the Approved Rate Structure, be enforceable by appropriate orders or relief (including mandamus). See "Bankruptcy Court Validation of the Warrants and the Approved Rate Structure" and "Retention of Jurisdiction by Bankruptcy Court" under "THE PLAN OF ADJUSTMENT" herein.

The System's History

The oldest components of the System date back to the late 19th century. Beginning in 1901, the County began creating an ordered system of sanitary sewers that continued to grow with the County's population. However, the System infrastructure lagged behind the needs of the County for sanitary sewer services. The patchwork of rapidly growing municipalities developed their own networks of sewer pipes outside of the County's control. Without central control of the collection system, it could not be assured that the various municipalities would take the steps necessary to prevent storm-water and ground-water infiltration in the System. Moreover, some municipalities required hookups; some did not.

By 1931, County officials recognized that the System lacked sufficient treatment capacity to handle the County's needs. Using both federal grant money and borrowed funds, the County upgraded its treatment plants extensively over the next 15 years. Additionally, during the Great Depression, several projects by the Works Progress Administration brought needed extensions to the County's collection system. Despite these important improvements, the System's central problem – dispersed control of the collection system among several autonomous municipalities – continued. Compounding this problem, growth in the County surpassed the capacity of the existing pipes. Many brick and terracotta sewer lines had degraded and were crumbling. The System may have been big enough to handle the needs of the County, but the sewers were in poor condition. Expansion to keep pace with a growing and geographically-dispersed population took precedence over maintaining the existing system.

Recognizing the need for continued investment, the County sought the capacity to borrow money to finance sewer improvements. In 1948, voters approved Amendment 73 to the Alabama Constitution, which granted the County the power to borrow money for sewer improvements and to charge for sewer service. The County requested the advice of Alvord, Burdick & Howson, a Chicago-based engineering firm, and received a report identifying \$22.5 million in recommended projects. An appointed citizens advisory committee reduced the scope of projects from \$22.5 million to \$10 million, and the County borrowed this \$10 million through bonds issued under Amendment 73. To cover cost overruns and extra projects, the County issued an additional \$2.5 million in sewer warrants and used roughly \$324,000 in excess sewer revenues. The County completed the last of these projects in 1958.

To pay debt service on the new bonds and warrants, the County began charging customers for use of the sewers in 1951. The initial sewer rate was one-half of the charge for water. Billing and collections proved difficult. BWVB and Bessemer refused to collect sewer charges, so the County had to use raw usage information and create its own billing and collections departments. The process produced confusion, disputes with customers, and high levels of overhead. In 1961, the Alabama Legislature passed a bill requiring water systems to bill and collect for sewer providers, so the County was able to outsource those functions.

The sewer projects of the 1940s and 1950s were effective in achieving the desired improvements, but continued growth and degradation to other portions of the System's infrastructure presented new challenges. The System lacked secondary treatment capacity and continued to be hampered by the lack of centralized control over the collection system.

The County continued making capital investments in the System through the 1960s. It opened a new Shades Valley treatment plant in 1961 and completed a major collector sewer project in Valley Creek in 1965. After issuing another \$10 million in sewer bonds, the County constructed a treatment plant on the Cahaba River and trunk lines on the Cahaba River and Little Shades Creek. To control access to the System, the County obtained legislation allowing it to require residents of unincorporated portions of the County to petition for sewer access. The County would then perform a survey of the work required to provide sewer service to the new area, hold a public hearing, and make a decision. If the County decided to provide access, it would assess the cost of the expansion against the properties served by the expansion over ten years.

All of these improvements were insufficient to handle the County's growth. In 1967, the Alabama Water Improvement Commission ("AWIC") notified the County that the County needed to spend \$30 million to upgrade five treatment plants. Financing was not available, so the County sought to upgrade only three of the plants and route the sewage from the other two to the newly-completed Cahaba River plant. On March 12, 1971, AWIC issued a moratorium forbidding the County from allowing any new connections to the System until the projects identified in 1967 were completed.

To finance the work, the County, operating under the mistaken assumption that raising sewer rates required approval from the Alabama Legislature, had legislation introduced that would have raised sewer rates from roughly \$0.09 per CCF to \$0.15 per CCF. The County also sought federal and state funds. The federal government offered \$13 million to the County in the form of matching funds, but the County was unable to raise its portion of the capital without assistance from the Alabama Legislature.

In August 1971, the Alabama Supreme Court ruled that the County could raise its sewer rates without approval from the Alabama Legislature. No sooner had the County obtained this power than President Nixon's wage-price freeze forbade the County from exercising it. The Internal Revenue Service (the "IRS") explicitly told the County that no rate increase would be permitted. The County sought relief because it was stuck in a difficult circumstance: on the one hand, applicable governmental regulations required the County to make massive upgrades to the System, while on the other hand, the IRS denied the County the means to finance those improvements.

The IRS relented, and the County implemented a rate increase on January 11, 1972. The next month, the County approved a \$20 million bond issuance. However, litigation about the reasonableness of the rate increase delayed the issuance of the bonds because the validity of their funding source – the higher sewer rates – was in question until the litigation was favorably concluded. Without bond proceeds, the County could not begin construction. Eventually, under heavy pressure from businesses and residential customers, the County reduced the planned rate increase from \$0.33 per CCF to \$0.20 per CCF, with a maximum quarterly bill of \$7.50.

In 1973, the federal Clean Water Act (the "Clean Water Act") came into effect. The Clean Water Act fundamentally changed not only the nature of sewer regulation, but also the strictness of the regulation. Whereas wastewater treatment had been primarily a matter of state and local regulation, the creation of the Environmental Protection Agency (the "EPA") and the passage of the Clean Water Act centralized regulation in the federal government. These new federal regulations also required secondary treatment of sewage – a major new requirement.

The County had, at all but one facility, previously provided only primary treatment to wastewater. Primary treatment typically involves allowing a portion of the wastewater solids to settle in a large tank. Solids settle to the bottom of the tank while oils and greases rise to the top. Secondary treatment further removes biodegradable waste products that remain suspended in the wastewater even after primary treatment. Although there are several methods to perform secondary treatments, and several steps in each method, all forms of secondary treatment are more complex, capital-intensive, and expensive than primary treatment alone. Along with the new requirements imposed by the EPA came federal funding to implement the requirements. As the County rapidly spent \$50 million to upgrade its treatment plants to perform secondary treatment, federal grants covered roughly \$24.5 million of the cost, with another \$1.8 million contributed by the State of Alabama.

The County acted decisively to complete this series of massive capital projects in just five years, but it also expended all of this capital without addressing the capacity and collection problems that plagued the System. These continuing problems, fed by rapid growth of suburbs, led to continued pollution problems, which in turn prompted AWIC to impose a connection moratorium in 1975, followed by two voluntary moratoria in 1975 and 1976.

Recognizing the need for continued improvements and investments in the System, the County raised rates again in 1977 and imposed industrial surcharges and impact fees on new construction. It also promulgated a \$109 million, 10-year capital improvement plan based on raising rates, new borrowing, and federal grants. This plan soon lagged behind schedule. The County was a year late in issuing its first \$10 million in bonds. At the same time, federal aid mostly disappeared. Instead of providing \$53 million in construction grants, the federal government announced that it would provide no more than \$10 million.

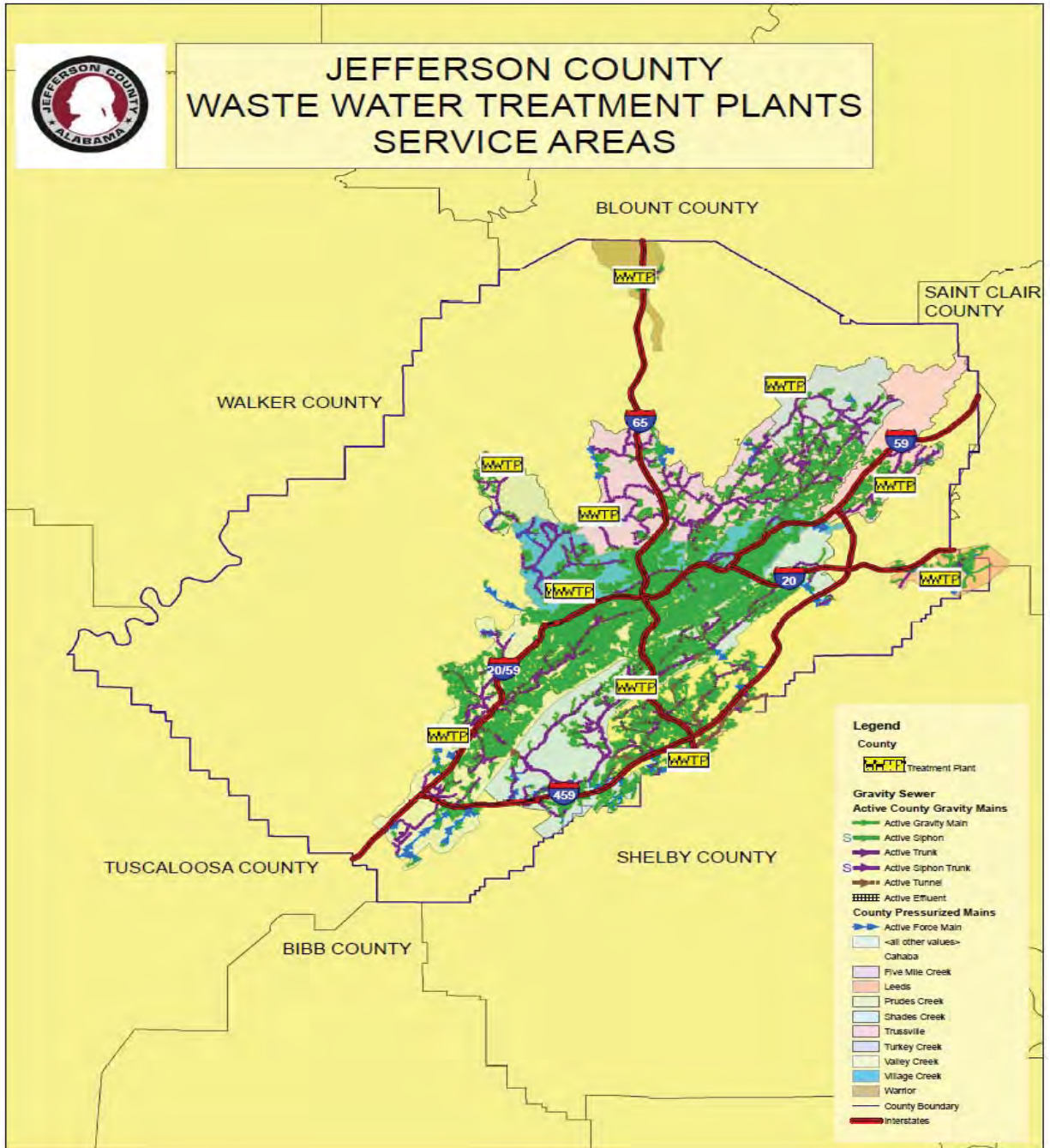
In 1980, the Commission responded to these cutbacks by raising rates to \$0.49 per CCF with a 15% watering credit. The Commission also raised impact fees. These actions were insufficient to fund the needed improvements, but nevertheless were subjected to a lawsuit that the County had exceeded its authority. The Alabama Supreme Court ruled in the County's favor, and the County raised rates again.

After increasing sewer rates significantly between 1970 and 1980, the County realized that financing the System's needed improvements would require tripling rates again by 1989. It commissioned a blue-ribbon report to set a schedule for investments and rates. The first such rate increase was implemented in 1984, which raised rates to an average of \$0.88 per CCF. Another, smaller increase followed in 1985.

Description of the System

General. The System's service area covers approximately 440 square miles and consists of approximately 3,145 miles of sanitary sewer lines (3,057 miles gravity and 88 miles force main), nine wastewater treatment plants ("WWTPs"), 177 pump/lift stations, a septage receiving station and 80,621 manholes. The service area is characterized by gently rolling topography and, due to the nature of the topography, a large gravity sewer network is needed to collect and transmit sewage. Pump stations transfer these flows to other pump stations and gravity mains and eventually to their respective WWTP.

The System serves 23 municipalities, unincorporated Jefferson County and small portions of Shelby County and St. Clair County. Of the System's approximately 128,000 total residential accounts, approximately 260 are estimated to be located in Shelby County and approximately 370 are estimated to be located in St. Clair County. Of the System's approximately 14,000 total non-residential accounts, fewer than 20 are estimated to be located in Shelby County and St. Clair County. All other customers, both residential and non-residential, are located within the County. The following is a map of the estimated service area:



Based on 2012 billing system records, the County estimates the System serves approximately 142,000 of the residential and non-residential connections in the County. These users receive water service from independent utilities located in Birmingham, Bessemer, Trussville, Irondale, Leeds, Graysville, Warrior River and Mulga. Of these utilities, the Birmingham and Bessemer systems, through contractual agreements, provide combined water and sewer billing, while customers of the remaining systems are billed directly by the County for sewer service only. Of those accounts estimated to have been billed during fiscal year 2013, the Water Works Board of the City of Birmingham (Alabama) ("BWWB") is estimated to have billed 113,686 accounts (80%), Bessemer Utilities, acting as a department of the City of Bessemer, Alabama, is estimated to have billed 16,335 accounts (11.5%), and the County is estimated to have billed 12,042 accounts (8.5%).

Sewer users include approximately 128,000 residential accounts primarily including single-family homes and duplexes. The approximately 14,000 non-residential accounts include larger multi-family residences, retail, office, restaurant, hotel and industrial users. The County estimates that, for fiscal year 2013, approximately

60% of System Revenues were from non-residential accounts, and that approximately 40% of System Revenues were from residential accounts. The following is a summary of historical sewer rates and typical 5 CCF residential bills for fiscal years ended September 30, 2004 through September 30, 2013:

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> ^{1,2} |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------------------|
| Minimum Charge | | | | | | | | | | Base Charge |
| 5/8 inch meter | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$10.00 |
| 3/4 inch meter | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 11.00 |
| 1 inch meter | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 14.00 |
| 1 1/2 inch meter | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 18.00 |
| 2 inch meter | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 29.00 |
| 3 inch meter | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 110.00 |
| 4 inch meter | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 140.00 |
| 6 inch meter | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 210.00 |
| 8 inch meter | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 290.00 |
| 10 inch meter | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 370.00 |
| Residential Volume Charge, per CCF | | | | | | | | | | |
| 0 - 3 CCF | \$5.39 | \$5.93 | \$6.35 | \$6.87 | \$7.40 | \$7.40 | \$7.40 | \$7.40 | \$7.40 | \$4.50 |
| 4 - 6 CCF | 5.39 | 5.93 | 6.35 | 6.87 | 7.40 | 7.40 | 7.40 | 7.40 | 7.40 | 7.00 |
| 7 CCF & Above | 5.39 | 5.93 | 6.35 | 6.87 | 7.40 | 7.40 | 7.40 | 7.40 | 7.40 | 8.00 |
| Non-Residential Volume Charge, per CCF | | | | | | | | | | |
| All CCF | 5.39 | 5.93 | 6.35 | 6.87 | 7.40 | 7.40 | 7.40 | 7.40 | 7.40 | 7.60 |
| 5 CCF User Bill³ | \$26.95 | \$29.65 | \$31.75 | \$34.35 | \$37.00 | \$37.00 | \$37.00 | \$37.00 | \$37.00 | \$37.50 |
| <i>Bill increase</i> | | <i>10.0%</i> | <i>7.1%</i> | <i>8.2%</i> | <i>7.7%</i> | <i>0.0%</i> | <i>0.0%</i> | <i>0.0%</i> | <i>0.0%</i> | <i>1.4%</i> |

¹ In FY 2013, a base charge replaced the minimum charge and a tiered volumetric rate structure was implemented for residential customers.

² The FY 2013 rate increase became effective five months into the fiscal year, on March 1, 2013.

³ The monthly bill for a typical residential account of the System with billable flows of 5 CCF and a 5/8 inch meter.

Note: Under the Rate Resolution, the monthly residential and non-residential base charge increased by \$5.00 effective November 1, 2013.

A national rate survey of water and sewer bills across major metropolitan areas is published bi-annually, with the most recent data available being for 2012. The following chart presents this data for selected metropolitan areas for residential users of 5 CCF and 10 CCF and commercial users of 500 CCF (billable flows). Even though the County did not increase service rates between January 2008 and December 2012, this survey demonstrates that, as of 2012, the County's sewer rates were nevertheless among the highest in the United States among certain major metropolitan communities that responded to the rate survey.

| Service Provider¹ | Sewer Charges | | |
|-------------------------------------|-------------------------------|--------------------------------|---|
| | Residential, 5 CCF | Residential, 10 CCF | Non-Residential,² 500 CCF |
| Atlanta, GA | \$63.06 | \$139.46 | \$7,828 |
| Knoxville, TN | 59.30 | 99.80 | 3,237 |
| Seattle, WA | 53.40 | 106.80 | 5,340 |
| Detroit, MI | 41.30 | 61.77 | 2,281 |
| Richmond, VA | 41.10 | 53.96 | 2,171 |
| Charleston, SC | 39.03 | 70.34 | 3,068 |
| Portland, OR | 37.70 | 75.40 | 3,815 |

| Service Provider ¹ | Sewer Charges | | |
|-------------------------------|-----------------------|------------------------|--|
| | Residential, 5 CCF | Residential, 10 CCF | Non-Residential, ² 500 CCF |
| Jefferson County, AL (2012) | 37.00 | 74.00 | 3,700 |
| San Francisco, CA | 35.81 | 78.78 | 3,277 |
| Jacksonville, FL | 33.96 | 54.99 | 2,451 |
| San Diego, CA | 33.32 | 51.31 | 1,898 |
| Austin, TX | 31.08 | 62.75 | 2,930 |
| Philadelphia, PA | 29.41 | 40.21 | 1,522 |
| Gwinnett County, GA | 29.20 | 53.40 | 2,425 |
| Cleveland, OH | 28.45 | 54.95 | 2,559 |
| Boston (BWSC), MA | 27.52 | 55.89 | 3,244 |
| Charlotte, NC | 27.40 | 48.10 | 2,107 |
| St. Petersburg, FL | 26.16 | 41.57 | 1,639 |
| New York City, NY | 25.20 | 50.40 | 2,520 |
| Orlando, FL | 24.92 | 38.40 | 1,360 |
| New Orleans, LA | 23.58 | 36.92 | 1,574 |
| Mobile, AL | 23.29 | 44.57 | 2,130 |
| Pensacola, FL | 22.28 | 45.58 | 2,329 |
| Nashville, TN | 21.84 | 45.54 | 2,217 |
| Dallas, TX | 21.30 | 38.51 | 1,159 |
| Washington, DC | 19.80 | 39.60 | 1,980 |
| Decatur, AL | 18.64 | 30.82 | 1,258 |
| Laurel, MD | 18.56 | 43.81 | 3,113 |
| Augusta, GA | 17.91 | 41.29 | 1,187 |
| Cobb County, GA | 16.23 | 37.87 | 2,023 |
| Columbus, GA | 15.59 | 28.94 | 1,041 |
| Phoenix, AZ | 12.34 | 23.65 | 1,088 |
| Denver, CO | 10.58 | 21.17 | 1,058 |
| Houston, TX | 9.12 | 37.58 | 1,929 |
| Salt Lake City, UT | 5.44 | 8.70 | 690 |

Source: 2012 Water and Wastewater Rate Survey, conducted and published by Raftelis Financial Consultants, Inc. in collaboration with the American Water Works Association.

¹ - Sorted by Residential 5 CCF monthly bill amount.

² - Rounded to nearest dollar.

Note: Information shown above for Jefferson County respecting Residential 5 CCF and Residential 10 CCF as reported in the study excludes the 15% credit to residential customers for water that does not enter the customer's sewer lines at their home and that lack a private sewer meter.

The following chart presents historical billing determinants¹ for the County, including water consumption, number of total customer accounts, and estimated annual billable flows, for the fiscal years ended September 30, 2008 through September 30, 2012:

| | <u>2008</u> | <u>2009</u> | <u>2010</u> ² | <u>2011</u> | <u>2012</u> |
|---|-------------|-------------|--------------------------|-------------|-------------|
| Annual Consumption (CCF) | 24,546,952 | 24,038,962 | 24,134,818 | 24,517,542 | 23,620,608 |
| Average Monthly Accounts ³ | 146,009 | 143,102 | 141,885 | 140,370 | 139,920 |
| Consumption per Account | 14.0 | 14.0 | 14.2 | 14.6 | 14.1 |
| Estimated Billable Flows (CCF) ⁴ | 19,870,267 | 20,408,031 | 19,997,408 | 20,173,258 | 19,464,220 |
| Flows as % of Consumption | 80.9% | 84.9% | 82.9% | 82.3% | 82.4% |

1 – Based on historical data collected and summarized by the County's Environmental Services Department

2 – Because of data anomalies, account and consumption data for November 2009 was replaced with the average of other months within the fiscal year

3 – The average number of total accounts (both residential and non-residential)

4 – Billable flow data is not available from information provided by BWB and Bessemer; however, annual billable flows can be estimated based on the reported service revenues from each of these entities and the effective volumetric rate for each fiscal year

The following table sets forth certain essential utilization data with respect to the System for fiscal years 2008 through 2012.

| Fiscal Year Ended September 30, | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|--|-------------|-------------|-------------|-------------|-------------|
| Active Accounts | 143,576 | 141,590 | 140,092 | 139,706 | 140,069 |
| Average Daily Treatment Volume (millions of gallons treated) | 92 | 113 | 125 | 98 | 104 |
| Sewer Charges (in thousands) ¹ | \$158,590 | \$159,952 | \$152,403 | \$154,302 | \$152,907 |
| % Revenue – Largest Account | 1.76% | 1.74% | 1.83% | 1.78% | 1.99% |
| % Revenue – Top Ten Accounts | 5.24% | 8.55% | 8.97% | 8.76% | 8.40% |

1 – Excludes proceeds from the Sewer Tax

Wastewater Treatment Plants (WWTPs). As mentioned above, the County operates nine WWTPs as part of the System, as follows:

Cahaba River Wastewater Treatment Plant. The Cahaba River Plant is located in Hoover downstream of the I-65 bridge over the Cahaba River. The plant receives sewage flow from Hoover, Bluff Park, Vestavia, Rocky Ridge, Acton Valley, Cahaba Heights and a portion of Riverchase that is within Jefferson County. Built in 1984, the plant has an annual average daily design capacity of 12 MGD with a peak day flow capacity of 16 MGD. In 1993, the Patton Creek WWTP was removed from service and its flow was transferred to the Cahaba River WWTP. That same year, construction began to improve and increase the plant's peak flow treatment capabilities. These improvements along with the construction of the Al Seier Road Pump Station and Bluff Park Tunnel allowed the elimination of the Horse Farm and Hurricane Branch automatic bypasses. The Cahaba River Plant is staffed 24 hours per day, seven days a week.

Five Mile Creek Wastewater Treatment Plant. The Five Mile Creek Plant located in Lower Coalburg receives sewage from Tarrant City, Inglenook, Lewisburg, Roebuck, Center Point, Grayson Valley, the southern end of Pinson Valley, Fultdale and Southern Gardendale. This facility was placed into operation in 1978 with a 10 MGD capacity. It replaced the Boyles Treatment Plant located in Tarrant. Since then, the plant has undergone major revisions and in 1991 was expanded to become a 20 MGD activated sludge plant with a 40 MGD peak hydraulic capacity. In 1999, the County installed improvements identified in the Five Mile Creek Waste Treatment System Capital Improvement Plan. This work was completed in advance of the April 1, 2000 construction completion deadline in the EPA Consent Decree (hereinafter defined). The Tarrant Springs and the Barton Branch automatic bypasses were removed in 2000 sending all

wastewater flows to the plant. In December 2008, construction was substantially completed to increase the average daily treatment capacity of the plant from 20 MGD to 30 MGD and increase the peak flow treatment capacity from 40 MGD to 50 MGD. Plant employees staff the Five Mile Creek Plant 24 hours per day, seven days a week.

Leeds Wastewater Treatment Plant. The Leeds Plant is located in the City of Leeds off Montevallo/Cahaba Valley Road. The plant receives sewage flow from the City of Leeds, including small parts of St. Clair and Shelby Counties. The construction of the Leeds WWTP at its current location began in November 1993. The facility began discharging April 20, 1995. The plant's average daily treatment capacity was increased to 2.0 MGD and it has peak daily design capacity of 10 MGD. This facility is staffed eight hours per day, seven days a week.

Prudes Creek Wastewater Treatment Plant. The Prudes Creek Plant serves the Cities of Graysville and Adamsville. The former plant was a 600,000 gallon average daily design capacity facility that was originally constructed in 1986. From April 1997 to June 1999, a project was completed that addressed improvements identified in the Initial Waste Treatment System Capital Improvement Plan for the Prudes WWTP. The upgrades in the plant were substantially completed in January 2006 and currently the plant has a 0.9 MGD average daily design flow capacity and a daily peak flow capacity of 3.5 MGD. The plant is staffed one shift per weekday. During off shift periods and weekends, it is controlled and operated from the Five Mile Creek WWTP via a Supervisory Control and Data Acquisition ("SCADA") system, which enables electronic monitoring and remote control of certain process equipment.

Trussville Wastewater Treatment Plant. The Trussville WWTP is located in the City of Trussville behind the City Hall and receives flow from the City of Trussville and an area along U.S. Highway 11 between Trussville and I-459. The Trussville WWTP, upgraded in 1998, has a permitted capacity of 4.0 MGD. The facility is designed to treat a peak flow of 8.0 MGD. This facility is staffed eight hours per day, seven days a week.

Turkey Creek Wastewater Treatment Plant. The Turkey Creek WWTP is located in Pinson just off The Narrows Road. The plant receives sewage flow from Pinson, the Sweeney Hollow Road area, and northern Center Point. A former plant was originally constructed on the site in 1970 and had a 4.0 MGD average daily flow capacity. The facility then underwent upgrades in the 70's, 80's and 90's, and was decommissioned April 1, 2004 when the existing plant became operational. Currently, the plant is permitted for 5.0 MGD, designed for a 10.0 MGD average daily flow and has a peak hydraulic capacity of 25 MGD. This facility is staffed eight hours per day, seven days a week.

Valley Creek Wastewater Treatment Plant. The Valley Creek Plant is located in West Bessemer near the intersection of Johns Road and Powder Plant Road. The plant receives sewage flow from the Central Park – Fairgrounds area, Fairfield, Midfield, Powderly, Roosevelt City, Brighton, Lipscomb, Bessemer, Hueytown, Pleasant Grove, Dolomite, Garywood, Wylam and McCalla areas. The Valley Creek Plant also receives all the flow from the Shades Valley basin, including Irondale, Mountain Brook, Homewood and portions of Birmingham south of Red Mountain. The treatment capacity of the facility was expanded to an average day design flow of 85 MGD and a peak biologic treatment capacity of 170 MGD with an additional 110 MG of storage volume for peak flow equalization. The facility was constructed with a significantly higher capacity for influent pumping and UV disinfection (600 MGD) for the potential to blend screened and settled peak flows with biologically treated effluent prior to disinfection and discharge. Construction of recent upgrades began in 1996 and continued until completion in 2005 and 2006. This plant is staffed 24 hours per day, seven days a week.

Village Creek Wastewater Treatment Plant. The Village Creek Plant is located in Pratt City and receives sewage flow from most of the downtown Birmingham area, including Southside, West End, Avondale, Woodlawn, East Lake, Huffman, North Birmingham, Ensley, Pratt City, Forestdale and Hooper City. The Village Creek WWTP was one of the original County treatment plants constructed in 1905. The plant was upgraded and expanded several times prior to the work undertaken in conjunction with the EPA Consent Decree. Prior to the upgrades, the plant was a

two-stage activated sludge treatment facility with an average daily design flow of 60 MGD and a peak hydraulic capacity of 60 MGD (old plant). Through the EPA Consent Decree work, another liquid treatment plant was constructed on adjacent property (new plant). Improvements to the old plant consisted primarily of odor control additions. Little to no work was performed upgrading or replacing aged equipment. The old and new facilities share the same solids treatment process. The EPA Consent Decree work began in 1997 and continued until completion in 2003. This facility is staffed 24 hours per day, seven days a week.

Warrior Wastewater Treatment Plant. The Warrior Plant is located to the west of the City of Warrior on Blackburn Drive. A former plant was a 0.1 MGD average daily design capacity facility that was constructed in 1987, modified in 1996, and decommissioned on July 31, 2006, when a new plant became operational. Currently the plant is permitted for 0.1 MGD average daily flow though it is designed for a 0.2 MGD average daily flow and has a peak hydraulic capacity of 0.5 MGD. This facility is staffed one shift per weekday.

The WWTPs range in dry weather capacity from 0.1 MGD to 120 MGD. The force main length and gravity main length for each of the nine WWTPs is as follows:

| WWTP | Force Main Length (Linear Feet) | Gravity Main Length (Linear Feet) |
|-----------------|--|--|
| Cahaba River | 62,483 | 1,806,086 |
| Five Mile Creek | 49,777 | 2,228,407 |
| Leeds | 23,118 | 249,361 |
| Prudes Creek | 15,141 | 145,708 |
| Trussville | 15,739 | 458,380 |
| Turkey Creek | 4,515 | 578,887 |
| Valley Creek | 240,133 | 7,250,014 |
| Village Creek | 47,877 | 3,383,709 |
| Warrior | <u>7,027</u> | <u>39,961</u> |
| Total | 465,810 | 16,140,513 |

The following table provides the National Pollutant Discharge Elimination System ("NPDES") permit number, expiration date and receiving stream for each of the County's WWTPs:

| WWTP | NPDES Permit # | Permit Expiration Date | Receiving Stream |
|-----------------|-----------------------|-------------------------------|-------------------------|
| Cahaba River | AL0023027 | November 30, 2017 | Cahaba River |
| Five Mile Creek | AL0026913 | February 28, 2014 | Five Mile Creek |
| Leeds | AL0067067 | June 30, 2016 | Little Cahaba River |
| Prudes | AL0056120 | March 31, 2014 | Five Mile Creek |
| Trussville | AL0022934 | November 30, 2017 | Cahaba River |
| Turkey Creek | AL0022926 | February 28, 2015 | Turkey Creek |
| Valley Creek | AL0023655 | October 31, 2016 | Valley Creek |
| Village Creek | AL0023647 | July 31, 2018 | Village Creek |
| Warrior | AL0050881 | October 31, 2015 | Cane Creek |

Pump Stations. The County operates 177 pump stations located throughout the service area. These stations are monitored and maintained daily by the Pump Station Operation and Maintenance Division of the Environmental Services Department and are not permanently staffed. All stations located in the collection system are equipped with a Mission SCADA M110 unit, which collects hourly runtimes, pump starts, and provides alarms for malfunctions at the station. In addition, the Al Seier Road Pump Station and Prudes Creek #1 and #2 Pump Stations are operated and maintained by personnel of the Cahaba River WWTP and Five Mile Creek WWTP, respectively, of the Environmental Services Department, and are considered part of the treatment process. The following table sets forth the number of pump stations within the System, by area:

| Area | Number of Pump Stations |
|--------------------------------|-------------------------|
| Jefferson County Pump Stations | 82 |
| Hoover Pump Stations | 16 |
| Gardendale Pump Stations | 13 |
| Trussville Pump Stations | 4 |
| Graysville Pump Stations | 5 |
| Hueytown Pump Stations | 6 |
| Homewood Pump Station | 1 |
| Birmingham Pump Stations | 29 |
| Tarrant Pump Station | 1 |
| Leeds Pump Stations | 7 |
| Bessemer Pump Stations | 5 |
| Vestavia Pump Stations | 4 |
| Warrior Pump Station | 1 |
| Pleasant Grove Pump Stations | 2 |
| Mountain Brook Pump Station | 1 |
| TOTAL | 177 |

Pretreatment Facility. The System includes a pretreatment facility known as the Scott's Branch Pretreatment facility. This facility is located on the site of the former Shades Valley treatment plant, which was originally constructed in 1928. The Shades Valley Plant ceased discharging in 1985 and currently serves as a 0.5 MGD pretreatment facility reducing high strength wastewater from upstream industries. The plant discharges into the Shades Valley Transfer Sewer that conveys flows to the Valley Creek WWTP. The pretreatment facility consists of a 3.75 MGD influent pump station, three vertical loop reactors, and two clarifiers.

Barton Laboratory. The System includes the Barton Laboratory, which is responsible for consolidated laboratory services and compliance monitoring for all WWTPs. These services include testing effluent discharge samples for compliance with applicable water quality regulations, and strength sampling of influent.

Sewer Plant Maintenance Shops. The County has electrical, electronic and mechanical maintenance shops at the Village Creek, Valley Creek and Five Mile Creek Plants with a total of 37 employees. The shops perform maintenance activities at all of the WWTPs.

Biosolids (Sludge) Beneficial Reuse Operations. This operation provides the staffing (14 employees) and trucking operations to dispose of biosolids resulting from the treatment processes at all of its facilities through a program of land application. Biosolids are periodically applied at the Flattop and Beltona Land Reclamation sites. These sites are former strip mining locations that are being reclaimed. This program has received regional and national recognition by the EPA.

Current Status of the System

The status and condition of the System is described in the Feasibility Study attached as Appendix E hereto. The System from time to time experiences overflows, but five of the County's nine basins have been released from the EPA Consent Decree, including most recently the Leeds basin in April 2012. The System's treatment plants are operating effectively and are complying with their various permits. The collection system, however, remains in need of continued rehabilitation and replacement. Moreover, portions of the major plant improvements made in the 1990s and early 2000s are nearing the end of their useful lives. Complying with new regulations, such as the new phosphorous discharge limits which become effective in three phases in April of 2014, 2016 and 2022 under existing EPA regulations, will require substantial capital investments by the County. The currently estimated cost of such improvements to be made over the next ten (10) years is contained in the CIP (defined below) and included within the County's Approved Rate Structure. See "Capital Improvement Program" below. **PROSPECTIVE INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE FEASIBILITY STUDY, IN ITS ENTIRETY TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION RESPECTING THE WARRANTS.**

Capital Improvement Program

The Environmental Service Department's capital improvement plan (the "CIP") is continually reevaluated and updated. The CIP has aggregate expenditure requirements of \$840,500,000 for the fiscal years ended September 30, 2013 through September 30, 2023. The following sets forth projected capital project expenditures within the CIP by major program element and matching sources of funds for the period noted. As shown below, projected capital expenditures over the forecast period will be funded through existing capital reserves made available at the closing of issuance of the Warrants (roughly 20.5% of the required funds) and funds expected to be used to finance the CIP from System Revenues (79.5% of the required funds).

Projected Capital Expenditures for the Fiscal Years Ending September 30, 2013 through September 30, 2023

All numbers in millions of dollars⁽¹⁾

| | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>Total</u> | <u>Percent</u> |
|--|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|---------------|----------------|----------------|
| Collection system rehabilitation | \$0.4 | \$1.0 | \$6.2 | \$6.4 | \$12.5 | \$12.8 | \$13.2 | \$13.6 | \$14.0 | \$14.4 | \$14.9 | \$109.4 | 13.0% |
| Hydraulic model & capacity assurance support | 0.1 | 1.8 | 1.9 | 1.9 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 7.3 | 0.9% |
| Capital equipment | 1.9 | 0.2 | 4.6 | 2.7 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 | 30.3 | 3.6% |
| Manhole rehabilitation | - | 0.8 | 1.8 | 1.8 | 1.9 | 1.9 | 2.0 | 2.0 | 2.1 | 2.2 | 2.2 | 18.6 | 2.2% |
| IT infrastructure & services | - | 0.2 | 2.6 | 2.2 | 1.8 | - | - | 0.1 | 0.7 | 1.1 | 1.0 | 9.8 | 1.2% |
| Professional engineering services | 1.3 | 2.8 | 3.1 | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 | 3.7 | 3.8 | 3.9 | 35.5 | 4.2% |
| Pump station upgrades | 0.1 | 1.9 | 2.6 | 5.3 | 3.8 | 3.9 | 4.1 | 4.2 | 4.3 | 4.4 | 4.6 | 39.2 | 4.7% |
| Row acquisition (participation/expansion) | - | - | 0.1 | 0.1 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 4.4 | 0.5% |
| Sanitary sewer & MH repair and replacement | 2.1 | 5.6 | 13.4 | 10.2 | 11.4 | 11.7 | 12.1 | 12.4 | 12.8 | 13.2 | 13.6 | 118.4 | 14.1% |
| Sewer line cleaning & television inspection | 1.4 | 2.7 | 2.6 | 2.7 | 1.6 | 1.7 | 1.7 | 1.8 | 1.8 | 1.9 | 2.0 | 21.8 | 2.6% |
| SSO abatement & capacity improvement | 0.8 | 14.4 | 3.2 | 2.7 | 5.5 | 5.6 | 5.8 | 6.0 | 6.1 | 6.3 | 6.5 | 62.9 | 7.5% |
| WWTP regulatory compliance | 0.4 | 7.4 | 18.1 | 5.3 | 1.1 | 16.9 | 94.2 | 56.7 | 18.4 | 19.0 | 19.6 | 257.3 | 30.6% |
| WWTP repair, replacement, & renewal | <u>2.2</u> | <u>8.5</u> | <u>4.5</u> | <u>22.4</u> | <u>15.3</u> | <u>11.3</u> | <u>11.6</u> | <u>11.9</u> | <u>12.3</u> | <u>12.7</u> | <u>13.0</u> | <u>125.8</u> | <u>15.0%</u> |
| Total Sewer CIP | \$10.7 | \$47.3 | \$64.6 | \$66.7 | \$61.6 | \$72.8 | \$151.9 | \$116.2 | \$80.3 | \$83.1 | \$85.4 | \$840.5 | 100.0% |
| Available Balance, Capital Reserves | 172.0 | - | - | - | - | - | - | - | - | - | - | 172.0 | 20.5% |
| Future Warrant Proceeds | - | - | - | - | - | - | - | - | - | - | - | - | 0.0% |
| Cash Financing | - | - | - | 18.0 | 62.0 | 72.0 | 152.0 | 116.0 | 81.0 | 83.0 | 85.0 | 669.0 | 79.5% |
| Used (Unused) Balance | (161.3) | 47.3 | 64.6 | 48.7 | (0.4) | 0.8 | (0.1) | 0.2 | (0.7) | 0.1 | 0.4 | (0.5) | |
| Total Funds | \$10.7 | \$47.3 | \$64.6 | \$66.7 | \$61.6 | \$72.8 | \$151.9 | \$116.2 | \$80.3 | \$83.1 | \$85.4 | \$840.5 | 100.0% |

¹ Slight calculation discrepancies may exist due to rounding.

Details regarding the development, nature and composition of the CIP, and additional information concerning the source of funds to cover costs of the CIP within the ten-year forecast period, are contained in Section 6.0 (entitled "Capital Project Expenditures") and Section 8.7 (entitled "Capital Financing"), respectively, of the Feasibility Study attached as Appendix E hereto.

Phosphorus

Four of the County’s plants have effluent limits for total phosphorus in their current NPDES permit. The Leeds WWTP has an effluent total phosphorus requirement of 1.0 mg/l and readily meets its effluent standard with its current treatment process.

The Cahaba River and Trussville WWTPs have compliance schedules included in their current operating permits that will significantly increase the required level of control for total phosphorus in three steps. These plants will have to achieve effluent total phosphorus of 0.4mg/l by April 1, 2014, 0.2 mg/l by April 1, 2016, and 0.043 by April 1, 2022. The final limit approaches the limits of currently available phosphorus treatment technology and will result in significant capital costs.

Each of the Five Mile Creek WWTP, Village Creek WWTP and Valley Creek WWTP could be required to perform increased levels of treatment for effluent phosphorus in future permits. While the receiving streams for these facilities are not listed for phosphorus impairment, waters further downstream have been listed on the State’s 303d list. It is possible that the Village Creek WWTP and Valley Creek WWTP could be subject to increased phosphorus limits in their next renewals in 2016 and 2018.

The remaining facility with current phosphorus limits is the Turkey Creek plant. This treatment plant is required to meet a monthly mass limit during the summer months that it regularly achieves. There is no present compliance schedule for this facility to move to a higher degree of treatment in the current NPDES permit that will remain in effect until calendar year 2015.

Compliance with these phosphorous standards will require significant future capital expenditures by the County. Such expenditures are included in the County's CIP (as WWTP regulatory compliance projects). See the Feasibility Study attached as Appendix E hereto for more information about phosphorous and other regulatory requirements for the System.

Additionally, it is possible that in the future the phosphorus standards will become more stringent or placed on an accelerated compliance schedule than that already anticipated in the CIP to meet water quality standards in downstream waters. The Alabama Department of Environmental Management ("ADEM") has recently advised the County during conversations with officers of the Environmental Services Department that ADEM considers a revision of the phosphorus standards in such fashion to be a number of years away and to be implemented only if the receiving waters for these facilities are included on future 303d lists (being a short list of impaired and threatened waters - stream/river segments/lakes - that the Clean Water Act requires all states to submit for EPA approval every two years) for phosphorus impairment.

Major Accounts

Listed below are the top ten accounts of the System during the fiscal year of the County ended September 30, 2012 and the related consumption and sewer service charges billed:

| Major Sewer User | Consumption (CCF)⁽¹⁾ | Annual Sewer Service Charges Billed^{(1),(2)} |
|---|--|--|
| University of Alabama at Birmingham "UAB" | 410,685 | \$3,039,000 |
| U.S. Steel | 509,159 | 2,597,000 |
| Birmingham Housing Authority | 212,166 | 1,570,000 |
| Veteran's Administration | 142,964 | 1,058,000 |
| SMI Steel, Inc. | 114,505 | 847,000 |
| Barber's Pure Milk Co. | 124,272 | 809,000 |
| Brookwood Hospital AMI | 107,763 | 797,000 |
| Samford University | 104,034 | 770,000 |
| Trinity Medical Center | 99,856 | 739,000 |
| Coca Cola Bottling Company | <u>140,548</u> | <u>624,000</u> |
| Total | 1,965,952 | \$12,850,000 |

¹ Unaudited.

² Amounts rounded to the nearest thousand.

Sewer Tax

The Sewer Tax is levied and collected by the County as a 0.7 mill ad valorem tax for the purpose of paying a portion of the costs of improving, maintaining and operating the System. Proceeds from the Sewer Tax are not pledged for payment of the Warrants. For the fiscal year that ended September 30, 2012, the revenues derived from the Sewer Tax were approximately \$5.84 million, and it is anticipated that receipts from such tax will be approximately \$5.65 million for the fiscal year ended September 30, 2013. The County does not possess the power to increase the Sewer Tax without authorization from the Alabama Legislature and approval by the public at a State-wide election held not less than three months after adjournment of the session of the Alabama Legislature in which the amendment was proposed. See "RISK FACTORS – Future Bankruptcy" herein.

Billing, Collection and Rate Making Authority

Billing Partners. The System has two billing partners in addition to its own billing operation. The Water Works Board of the City of Birmingham (Alabama) (heretofore defined as "BWVB") and Bessemer Utilities (acting as a department of the City of Bessemer, Alabama ("Bessemer")) provide billing services to over 93 percent (by volume) of the System's customers. The remaining customers, who are served by water utilities in Irondale, Trussville, Graysville, Warrior River, Leeds, and Mulga, are billed directly by the System's billing operation. For BWVB and Bessemer, sewer charges are billed to customers at the same time and on the same billing statement as water charges are billed. Customers in those service areas make one payment for both water and sewer service each month, and thus for BWVB and Bessemer, sewer charges are collected/billed at the same time as water charges. Typically, BWVB remits sewer collections to the County on a weekly basis, and Bessemer remits billings to the County on a monthly basis.

Method of Revenue Accounting. For accounts billed by BWVB (representing approximately 86 percent of the System's annual usage), the County uses an accrual method of revenue accounting. For Bessemer and the County-billed customers, revenues are booked when cash collections are deposited into the System's revenue fund (cash basis) during the year. At year-end, adjustments are made as needed to reflect accrual basis accounting for Bessemer and County-billed customer receivables and revenues. The County has adopted the BWVB accounts receivable control schedule for the purpose of accruing revenues billed by the BWVB. At the end of each fiscal year, the County also accrues an estimate of incurred, but unbilled, usage for BWVB, Bessemer and County-billed customers. The allowance for doubtful accounts is also analyzed on an annual basis and adjusted accordingly to ensure receivables, net of allowance, are reasonably stated.

BWVB Charges and Adjustments. Monthly BWVB sewer charges reflect base charges, volume charges, and other usage and class related billing determinants. Adjustments are then made by the BWVB and the County to the recorded sewer charges to arrive at the monthly revenue accrual. Adjustments include private meter credits, adjustments for leaks or usage anomalies, and adjustments for meter misreads. Other adjustments affecting monthly billed revenues include account charge-offs, returned checks, application of customer overpayments, and final bill adjustments. For the fiscal years ended September 30, 2011, September 30, 2012, and September 30, 2013, accounts deemed uncollectable by the County and, thus, charged off as a percentage of net BWVB sewer revenues were 1.1%, 0.7% and 0.6%, respectively.

Private Meter Credits. Private meters comprise a significant portion of the monthly adjustments made to sewer charges. Private meters are separate water meters installed on the customers' side of the primary billing meter, and are typically connected to dedicated irrigation lines, to outdoor fixtures or to swimming pools. Private meters measure an amount of water usage that is not returned to the sewer system. Residential customers who install a private meter must have the meter certified by System inspectors and, once installed, are not entitled to the 15 percent residential credit. See "DEBT SERVICE REQUIREMENTS – Charge Ordinance and Approved Rate Structure" herein. Customers with private meters are charged a monthly sewer amount based on the primary meter reading. Not more often than quarterly, a customer with a private meter may submit the reading from the private meter for credit to their account.

Delinquent Customer Accounts. Through an agreement between BWVB and the County, BWVB applies customer payments first to the water portion of the bill, then to utility taxes and finally to the sewer portion of the bill. Such agreement also provides that payments on delinquent accounts are applied first to past due amounts in the same order of priority as described above. Bessemer revenues are based entirely on the billed amount, and

thus collections achieved by Bessemer are remitted to the County on a percentage basis. The County has the statutory authority on delinquent accounts to disconnect sewer service directly, unless the County health department overrides the shutoff for public health reasons. Through contract, the County may direct certain water providers (including BWWB, Trussville and Irondale) to shut off water to parcels when those parcels have delinquent County sewer bills. The County (with certain restrictions) has the power, to the extent permitted by Alabama law, to place a lien on the property of a customer whose sewer charges are delinquent no later than 12 months after the charges are billed.

System Management

The Director of the Environmental Services Department (ESD), David Denard, P.E., oversees the management, billing and administrative operations of the System under the direction of the County Manager, Tony Petelos. The Chief Financial Officer for the County, George Tablack, is responsible for finance and accounting for the System. The Commission retains the responsibility for all financial policy making decisions respecting the System.

Mr. Denard has administered the management and administrative operations of the System since November 2007. Mr. Denard earned a Bachelor of Science in Civil Engineering degree from the University of Alabama at Birmingham. Mr. Denard is a registered Professional Engineer in the State of Alabama and has over eighteen (18) years of engineering experience. Mr. Denard oversees the daily operations of the System, including wastewater treatment, collection system management, billing and collections, planning, and budgeting.

The Deputy Director of ESD, Daniel White, P.E., is responsible for wastewater treatment plant operations, budgeting, capital planning and engineering for the System. Brian Rohling, P.E., Chief Civil Engineer, is responsible for collection system operations and management through the direction of subordinate personnel, including Brian Champion, Sewer Construction and Maintenance Supervisor, over collection system line maintenance, and Ken Bennett, Plant Manager, over pump station maintenance and operations.

Mr. White earned a Bachelor of Science in Civil Engineering degree from the University of Alabama at Birmingham. Mr. White is a registered Professional Engineer in the State of Alabama and has over fourteen (14) years of engineering experience in wastewater and prior experience in residential development.

Mr. Rohling earned a Bachelor of Civil Engineering degree from Auburn University and a Master of Business Administration from the University of Alabama at Birmingham. Mr. Rohling is a registered Professional Engineer in the State of Alabama and is an ADEM Certified Grade I(C) Operator. He has over seventeen (17) years of engineering experience with fifteen (15) of those years in wastewater.

Mr. Champion is responsible for supervision of the collection system line maintenance and television inspection operations for the System. Mr. Champion is an ADEM Certified Grade I(C) Operator and has served as Sewer Construction and Maintenance Supervisor since September 2012. He has over 19 years of experience in wastewater operations.

Mr. Bennett is responsible for supervision of pump station maintenance and operations for the System. Mr. Bennett is an ADEM Certified Grade IV Operator and has served as Plant Manager since November 2011. He has over 15 years of experience in wastewater operations.

For biographical information regarding Tony Petelos, George Tablack, and other County officers, see Appendix G – "INFORMATION RESPECTING JEFFERSON COUNTY, ALABAMA – County Management" attached hereto.

Environmental Services Department

The Environmental Services Department is organized into five functional areas, as follows: (1) impact, planning and plan review; (2) engineering, project management and collection system maintenance; (3) billing, budgeting and human resources; (4) treatment; and (5) regulatory compliance. For the fiscal year ending September 30, 2014, the Environmental Services Department has a total of 441 budgeted positions, of which 373 are

presently filled. It will be necessary for the County to increase Environmental Services Department staffing within the 2014 fiscal year budgeted levels in order for the County to most effectively operate and maintain the System. The Employment Discrimination Receiver (hereinafter defined) will determine the method by which Environmental Services Department personnel will be hired. See Appendix G - "INFORMATION RESPECTING JEFFERSON COUNTY, ALABAMA – County Employees and County Employment Decisions" herein for information concerning the current process for hiring within the County. See also "LITIGATION AND OTHER MATTERS – Jefferson County Employment Discrimination Receiver – United States v. Jefferson County, et al."

Impact, Planning and Plan Review. This area consists of 18 budgeted positions (14 filled). This area reviews and approves private development work that affects the System and requires County approval. This includes assessing charges for new connections to the System and assuring that new connections can be properly served by the public system, and that privately constructed modifications to the public system adhere to the County's specifications.

Billing, Budgeting and Human Resources. This area is responsible for the portion of the billing services performed by the County and assuring that billing services performed by others are timely and accurate. The Environmental Services Department's budget preparation and tracking as well as human resource functions are handled in this area in coordination with other County departments. This functional area consists of the Administration division, with 30 budgeted positions (24 filled), and Sewer Billing division, with 15 budgeted positions (12 filled).

Regulatory Compliance. This area includes the administration of the County's industrial pretreatment program and the operations of the Barton Laboratory. This area includes 21 budgeted positions (19 filled). This area is responsible for working with the other areas to assure that state and federal regulatory requirements are satisfied.

Engineering, Project Management and Collection System Maintenance. This area is responsible for all construction, condition assessment and maintenance activities performed by ESD employees and contractors in the collection system. This area includes nine divisions that handle a variety of services including construction (including administration and inspection), surveying, sewer cleaning and maintenance, sewer inspection and pump station operations and maintenance. The total budgeted positions for this functional area are 158, of which 125 are filled.

Treatment. This area includes the operation of the County's nine treatment facilities and its Biosolids program. This area is separated into 12 divisions with a total of 199 budgeted positions, 179 of which are filled (including the staff required to operate and maintain the treatment facilities).

In fiscal year 2011, the Environmental Services Department performed an assessment of staffing levels, operational effectiveness and core functions within each division. These were accomplished in a series of meetings and reviews with Environmental Services Department senior staff, division supervisors, John S. Young, Jr. LLC ("John S. Young"), which at that time was acting as receiver over the System, and American Water (which had been engaged to assess operations in the Village Creek WWTP, Valley Creek WWTP and WWTP maintenance divisions). Based on the approach and findings of American Water and further analysis by Environmental Services Department staff, the Environmental Services Department produced a five-year personnel plan and largely implemented the plan through the fiscal year ended September 30, 2013. The Environmental Services Department's historical staffing levels from 2006 and results of implementation of the plan beginning in 2011 are as follows:

Fiscal Year Ending September 30,

| Functional Area | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
|------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Administration | 49 | 52 | 54 | 61 | 58 | 57 | 57 | 54 | 50 |
| Collection System | 183 | 166 | 162 | 153 | 144 | 151 | 145 | 132 | 125 |
| Treatment | <u>282</u> | <u>286</u> | <u>284</u> | <u>280</u> | <u>255</u> | <u>248</u> | <u>217</u> | <u>206</u> | <u>198</u> |
| Total | 514 | 504 | 500 | 494 | 457 | 456 | 419 | 392 | 373 |

Functional Support Services. Various departments of the County that are outside the System enterprise operations, such as the County's Human Resource, Finance, and Information Technology departments, provide services for the Environmental Services Department. Between the fiscal years ended September 30, 2009 and September 30, 2011, the Environmental Services Department used System Revenues to reimburse the County between \$5,200,000 and \$5,400,000 per year for the costs of such services (such costs, "Indirect Costs"). The Environmental Services Department did not reimburse the County for Indirect Costs for the fiscal years ended September 30, 2012 and September 30, 2013. See footnote (2) of the second table within the subsection entitled "Summary of Revenues and Expenditures" below.

The County plans to use System Revenues to reimburse the County General Fund for Indirect Costs going forward. The County has included \$6,500,000 for Indirect Costs in its fiscal year 2014 budget, as well as approximately \$1,000,000 per annum for direct charges associated with fleet services. See Appendix L – "County Budget for the 2014 Fiscal Year" hereto. The County estimates the annual escalation rates for these support services at 2.0% per annum.

Certain Financial Information Concerning the System

Five-year Summary of Results of Operations. The following table shows the historical operating results of the System (exclusive of depreciation) for the fiscal years ended September 30, 2008 through September 30, 2012, as taken from the audited financial statements of the County for the fiscal year indicated. All dollar amounts shown below are in thousands.

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> |
|-----------------------------------|------------------|------------------|-----------------|------------------|------------------|
| Revenues | | | | | |
| Services Revenues | \$158,590 | \$159,952 | \$152,403 | \$154,302 | \$152,907 |
| Taxes ⁽¹⁾ | 5,758 | 5,969 | 5,916 | 4,702 | 5,841 |
| Intergovernmental | 101 | 102 | 102 | 103 | 104 |
| Other Operating | <u>861</u> | <u>250</u> | <u>83</u> | <u>4,109</u> | <u>678</u> |
| TOTAL | \$165,310 | \$166,273 | \$158,504 | \$163,216 | \$159,530 |
| Expenses | | | | | |
| Operating Expenses ⁽²⁾ | 54,404 | 57,940 | 58,913 | 60,730 | 58,051 |
| Revenues over Expenses | \$110,906 | \$108,333 | \$99,591 | \$102,486 | \$101,479 |

¹ Refers to the Sewer Tax, the proceeds of which are not pledged for payment of the Warrants. See "JEFFERSON COUNTY SEWER SYSTEM – Sewer Tax" herein.

² Excludes depreciation. See "Summary of Revenues and Expenditures" below.

Summary of Revenues and Expenditures. The following table sets forth the consolidated revenues, expenditures and changes in fund balance with respect to the System for each of the past five fiscal years. Such information is taken from the audited financial statements for the County for the fiscal years ended September 30, 2008 through and including September 30, 2012, and should be read in conjunction with the financial statements of the County, and the associated notes to such financial statements, as of and for the fiscal year ended September 30, 2012, attached as Appendix K hereto.

| | (amounts shown in thousands) | | | | |
|---|------------------------------|--------------------------|-------------------------|-------------------------|-------------------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Operating Revenues | | | | | |
| Taxes | \$5,841 | \$4,702 | \$5,916 | \$5,969 | \$5,758 |
| Intergovernmental | 104 | 103 | 102 | 102 | 101 |
| Charges for services, net | 152,907 | 154,302 | 152,403 | 159,952 | 158,590 |
| Other operating revenue | 678 | 4,109 | 83 | 250 | 861 |
| Total operating revenue | <u>159,530</u> | <u>163,216</u> | <u>158,504</u> | <u>166,273</u> | <u>165,310</u> |
| Operating Expenses | | | | | |
| Salaries | 17,807 | 19,628 | 19,799 | 20,590 | 21,434 |
| Employee benefits and payroll taxes | 6,186 | 7,187 | 6,946 | 7,260 | 8,102 |
| Materials and supplies | 3,959 | 2,532 | 2,316 | 1,502 | 1,466 |
| Utilities | 8,142 | 8,088 | 8,753 | 9,511 | 8,273 |
| Outside services | 20,886 | 16,238 | 14,213 | 13,026 | 13,335 |
| Office expenses | 930 | 1,485 | 1,253 | 638 | 1,498 |
| Depreciation | 132,336 | 131,971 | 131,466 | 131,971 | 128,844 |
| Indirect expenses | - | 5,256 | 5,372 | 5,241 | - |
| Miscellaneous | 141 | 316 | 261 | 172 | 296 |
| Total operating expenses | <u>190,387</u> | <u>192,701</u> | <u>190,379</u> | <u>189,911</u> | <u>183,248</u> |
| Operating Loss | (30,857) | (29,485) | (31,875) | (23,638) | (17,938) |
| Nonoperating Revenues (Expenses) | | | | | |
| Interest expense, net | (111,876) | (97,624) | (99,871) | (206,194) | (224,765) |
| Interest revenue | 1,600 | 1,390 | 1,607 | 3,706 | 13,549 |
| Amortization of warrant related costs | (13,478) | (14,914) | (14,954) | (13,356) | (18,748) |
| Legal Settlements | 34,612 | - | - | - | - |
| Gain (loss) on contribution, sale or retirement of capital assets | (1,140) | (1,308) | (178) | (16) | (600) |
| Net nonoperating revenues (expenses) | <u>(90,282)</u> | <u>(112,456)</u> | <u>(113,396)</u> | <u>(215,860)</u> | <u>(230,564)</u> |
| Operating Transfers | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | (9) | - | - |
| Capital contributions - transfer of capital assets | - | (56) | - | - | - |
| Total operating transfers | <u>-</u> | <u>(56)</u> | <u>(9)</u> | <u>-</u> | <u>-</u> |
| Change in Net Assets | (121,139) | (141,997) | (145,280) | (239,498) | (248,502) |
| Net Assets (Deficit) – beginning of year, as previously reported | (11,968) | 138,002 | 321,963 | 561,461 | 825,313 |
| Prior Period Adjustments | <u>(30,091)</u> | <u>(7,973)</u> | <u>(38,681)</u> | <u>-</u> | <u>(15,350)</u> |
| Net Assets (Deficit), beginning of year, as restated | <u>(42,059)</u> | <u>130,029</u> | <u>283,282</u> | <u>561,461</u> | <u>809,963</u> |
| Net Assets, end of year | <u><u>\$(163,198)</u></u> | <u><u>\$(11,968)</u></u> | <u><u>\$138,002</u></u> | <u><u>\$321,963</u></u> | <u><u>\$561,461</u></u> |

The following table sets forth the unaudited revenues and expenditures with respect to the System for the fiscal year ended September 30, 2013. ⁽¹⁾

| | Amounts shown in thousands (unaudited) ⁽¹⁾ |
|-------------------------------------|--|
| Operating Revenues | |
| Taxes | \$ 5,650 |
| Intergovernmental | 105 |
| Charges for services, net | 148,748 |
| Other operating revenue | <u>7,934</u> |
| Total operating revenue | 162,437 |
| Operating Expenses | |
| Salaries | 18,087 |
| Employee benefits and payroll taxes | 5,772 |
| Materials and supplies | 6,227 |
| Utilities | 8,430 |
| Outside services | 16,964 |
| Office expenses | 504 |
| Depreciation | 132,222 |
| Indirect expenses ⁽²⁾ | 0 |
| Miscellaneous | <u>73</u> |
| Total operating expenses | \$188,279 |

⁽¹⁾ The County applied its customary year-end procedures in compiling information regarding revenues and expenses with respect to the System during the fiscal year ended September 30, 2013. Such information is typically compiled over a period of 60 to 75 days following the close of the relevant fiscal year, but the information in this chart was compiled in less than 14 days. This abbreviated period of time increases the likelihood of material negative changes through the audit process.

⁽²⁾ Management has elected not to apply Indirect Costs for fiscal year 2012 and fiscal year 2013 only.

Summary of Balance Sheet.

The following table sets forth a summary of the assets and liabilities of the System for each of the past five fiscal years. Such information is taken from the audited financial statements for the County as of and for the fiscal years ended September 30, 2008 through and including September 30, 2012, and should be read in conjunction with the financial statements of the County, and the associated notes to such financial statements, as of and for the fiscal year ended September 30, 2012, attached as Appendix K hereto.

| | (amounts shown in thousands) | | | | |
|---|------------------------------|--------------------|--------------------|--------------------|--------------------|
| | 2012 | 2011 | 2010 | 2009 | 2008 |
| Current Assets | | | | | |
| Cash and investments | \$7,414 | \$8,707 | \$5,803 | \$10,022 | \$13,305 |
| Accounts receivable, net | 18,833 | 18,619 | 20,021 | 21,293 | 21,179 |
| Taxes receivable, net | 5,064 | 5,096 | 5,345 | 5,535 | 5,505 |
| Due from (to) other governments | 1,818 | 1,540 | 1,762 | 1,461 | 1,215 |
| Inventories | - | - | 475 | 450 | 458 |
| Prepaid expenses | - | - | - | - | 4 |
| Deferred charges - issuance costs | 43,666 | 46,591 | 50,938 | 51,534 | 1,892 |
| Restricted assets – current | 173,523 | 202,942 | 200,175 | - | - |
| Total Current Assets | <u>250,318</u> | <u>283,495</u> | <u>284,519</u> | <u>90,295</u> | <u>43,558</u> |
| Noncurrent Assets | | | | | |
| Restricted assets | 56 | 56 | 56 | 194,377 | 189,844 |
| Assets internally designated for capital improvements or redemption of warrants | 46,726 | 52,549 | 52,545 | 52,540 | 58,353 |
| Assets held for sale | - | - | - | - | 166 |
| Advances due from (to) other funds | - | (10,628) | - | - | - |
| Deferred charges – issuance costs | - | - | - | - | 52,684 |
| Capital assets: | | | | | |
| Depreciable assets, net | 2,645,951 | 2,763,883 | 2,846,157 | 2,999,831 | 3,094,299 |
| Nondepreciable assets | 42,955 | 31,672 | 76,144 | 76,964 | 102,536 |
| | <u>2,735,688</u> | <u>2,837,532</u> | <u>2,974,902</u> | <u>3,323,712</u> | <u>3,497,882</u> |
| | <u>\$2,986,006</u> | <u>\$3,121,027</u> | <u>\$3,259,421</u> | <u>\$3,414,007</u> | <u>\$3,541,440</u> |
| Current Liabilities | | | | | |
| Accounts payable | \$8,120 | \$7,407 | \$4,724 | \$4,913 | \$6,935 |
| Accrued wages and benefits | 382 | 396 | 1,055 | 1,001 | 968 |
| Accrued interest | 168,801 | 114,465 | 96,081 | 69,122 | 30,179 |
| Debt service costs | 104,726 | 125,959 | 120,447 | - | - |
| Swap termination liability | - | - | - | 108,818 | 31,189 |
| Retainage payable | 1,174 | 952 | 56 | 56 | 2,206 |
| Deferred/unearned revenue | 5,406 | 5,268 | 5,548 | 5,746 | 5,763 |
| Estimated claims liability | 450 | 620 | 1,250 | 1,310 | 1,233 |
| Estimated liability for compensated absences | 1,143 | 1,458 | 1,241 | 1,468 | 1,468 |
| Warrants payable | 3,107,518 | 3,135,978 | 3,162,323 | 3,182,618 | 372,653 |
| Add: Unamortized premiums (discounts) | 6,110 | 6,305 | 6,487 | 5,613 | 196 |
| Less: Deferred loss on refunding | (258,322) | (269,070) | (279,818) | (290,567) | (10,748) |
| | <u>2,855,306</u> | <u>2,873,213</u> | <u>2,888,992</u> | <u>2,897,664</u> | <u>362,101</u> |
| Total Current Liabilities | <u>3,145,508</u> | <u>3,129,738</u> | <u>3,119,394</u> | <u>3,090,098</u> | <u>442,042</u> |
| Noncurrent Liabilities | | | | | |
| Warrants payable | - | - | - | - | 2,820,590 |
| Add: Unamortized premiums (discounts) | - | - | - | - | 5,851 |
| Less: Deferred loss on refunding | - | - | - | - | (290,567) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,535,874</u> |
| Accrued arbitrage rebates | - | 63 | 63 | 63 | 63 |
| Estimated claims liability | 880 | 693 | - | - | - |
| Estimated liability for other postemployment benefits | 1,096 | 666 | - | - | - |
| Estimated liability for compensated absences | 1,720 | 1,835 | 1,962 | 1,883 | 2,000 |
| Total Liabilities | <u>3,149,204</u> | <u>3,132,995</u> | <u>3,121,419</u> | <u>3,092,044</u> | <u>2,979,979</u> |
| Net Assets (Deficits) | | | | | |
| Invested in capital assets, net of related debt | (15,192) | 102,900 | 227,924 | 379,557 | 529,826 |
| Restricted for: | | | | | |
| Debt service or capital improvements | 32,218 | 29,363 | 28,536 | 27,294 | 11,247 |
| Debt service | 33,763 | 39,612 | 27,963 | 18,134 | - |
| Unrestricted | (213,987) | (183,843) | (146,421) | (103,022) | 20,388 |
| Total Net Assets | <u>\$(163,198)</u> | <u>\$(11,968)</u> | <u>\$138,002</u> | <u>\$321,963</u> | <u>\$561,461</u> |

Summary of Cash Flows

The following table sets forth the cash flows of the System for each of the past five fiscal years. Such information is taken from the audited financial statements for the County for the fiscal years ended September 30, 2008 through and including September 30, 2012, and should be read in conjunction with the financial statements of the County, and the associated notes to such financial statements, as of and for the fiscal year ended September 30, 2012, attached as Appendix K hereto.

| | (amounts shown in thousands) | | | | |
|---|------------------------------|------------------|------------------|------------------|------------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Cash Flows from Operating Activities | | | | | |
| Cash received from services | \$152,415 | \$155,925 | \$154,596 | \$159,592 | \$155,090 |
| Cash payments to employees | (23,989) | (26,972) | (26,898) | (27,857) | (29,372) |
| Cash payments for goods and services | (33,347) | (30,757) | (32,383) | (32,100) | (27,702) |
| Other receipts and payments, net | <u>(3,675)</u> | <u>20,409</u> | <u>6,094</u> | <u>6,274</u> | <u>8,289</u> |
| Net Cash Provided (Used) by Operating Activities | 91,404 | 118,605 | 101,409 | 105,909 | 106,305 |
| Cash Flows from Noncapital Financing Activities | | | | | |
| Grant income | - | - | - | - | - |
| Legal settlements | 34,612 | - | - | - | - |
| Operating transfers in | - | - | - | - | - |
| Operating transfers out | <u>-</u> | <u>-</u> | <u>(9)</u> | <u>-</u> | <u>-</u> |
| Net Cash Provided by Noncapital Financing Activities | 34,612 | - | (9) | - | - |
| Cash Flows from Capital and Related Financing Activities | | | | | |
| Acquisition of capital assets | (26,827) | (15,022) | (6,375) | (11,878) | (26,678) |
| Sale of capital assets | - | 776 | - | - | - |
| Interest paid | (108,864) | (73,727) | (74,699) | (89,622) | (177,214) |
| Principal payments on warrants | (28,460) | (26,345) | (20,295) | (10,626) | (61,222) |
| Retainage paid | <u>-</u> | <u>-</u> | <u>-</u> | <u>(2,150)</u> | <u>(432)</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (164,151) | (114,318) | (101,369) | (114,276) | (265,546) |
| Cash Flows From Investing Activities | | | | | |
| Interest received | 1,600 | 1,390 | 1,607 | 3,706 | 13,549 |
| Miscellaneous | <u>-</u> | <u>(2)</u> | <u>2</u> | <u>98</u> | <u>(185)</u> |
| Net Cash Provided by Investing Activities | 1,600 | 1,388 | 1,609 | 3,804 | 13,364 |
| Change in Cash and Investments | (36,535) | 5,675 | 1,640 | (4,563) | (145,877) |
| Cash and Investments - beginning of year | <u>264,254</u> | <u>258,579</u> | <u>256,939</u> | <u>261,502</u> | <u>407,379</u> |
| Cash and Investments - end of year | <u>\$227,719</u> | <u>\$264,254</u> | <u>\$258,579</u> | <u>\$256,939</u> | <u>\$261,502</u> |

| | (amounts shown in thousands) | | | | |
|---|------------------------------|------------------|------------------|------------------|------------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Displayed As | | | | | |
| Cash and investments | \$7,414 | \$8,707 | \$5,803 | \$10,022 | \$13,305 |
| Restricted assets - current cash and investments | 173,523 | 202,942 | 200,175 | - | - |
| Restricted assets - noncurrent cash and investments | 56 | 56 | 56 | 194,377 | 189,844 |
| Assets internally designated for capital improvements or redemption of warrants - noncurrent cash | 46,726 | 52,549 | 52,545 | 52,540 | 58,353 |
| | <u>\$227,719</u> | <u>\$264,254</u> | <u>\$258,579</u> | <u>\$256,939</u> | <u>\$261,502</u> |
| Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities | | | | | |
| Operating loss | \$(30,857) | \$(29,485) | \$(31,875) | \$(23,638) | \$(17,938) |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities: | | | | | |
| Depreciation expense | 132,336 | 131,971 | 131,466 | 131,971 | 128,844 |
| Provision for bad debts | 591 | 747 | 2,307 | 1,938 | - |
| Change in accounts receivable | (805) | 655 | 188 | (2,052) | (3,446) |
| Change in taxes receivable, net | 32 | 249 | 190 | (30) | (146) |
| Change in due from (to) other governments | (278) | 222 | (301) | (246) | (54) |
| Change in inventories | - | 475 | (25) | 8 | (21) |
| Change in prepaid expenses | - | - | - | 4 | - |
| Change in assets held for sale | - | - | - | - | 359 |
| Change in advances due from (to) other funds | (10,628) | 10,628 | - | - | 1,554 |
| Change in accounts payable | 713 | 2,683 | (189) | (2,022) | (3,172) |
| Change in accrued wages and benefits | (14) | (659) | 54 | 33 | 88 |
| Change in retainage payable | 222 | 896 | - | - | - |
| Change in deferred/unearned revenue | 138 | (280) | (198) | (17) | 161 |
| Change in estimated claims liability | 17 | 63 | (60) | 77 | 245 |
| Change in estimated liability for compensated absences | (430) | 91 | (148) | (117) | (169) |
| Change in accrued arbitrage rebates | (63) | - | - | - | - |
| Change in estimated liability for other postemployment benefits | 430 | 349 | - | - | - |
| | <u>122,261</u> | <u>148,090</u> | <u>133,284</u> | <u>129,547</u> | <u>124,243</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$91,404</u> | <u>\$118,605</u> | <u>\$101,409</u> | <u>\$105,909</u> | <u>106,305</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | | |
| (Loss) gain on sale or retirement of capital assets | <u>\$(1,140)</u> | <u>\$(1,308)</u> | <u>\$(178)</u> | <u>\$(16)</u> | <u>\$(600)</u> |
| Capital assets financed by capital lease obligations | <u>\$-</u> | <u>\$-</u> | <u>\$-</u> | <u>\$-</u> | <u>\$-</u> |
| Transfers of capital assets to governmental funds | <u>\$-</u> | <u>\$(56)</u> | <u>\$-</u> | <u>\$-</u> | <u>\$-</u> |
| Noncash capital asset addition | <u>\$776</u> | <u>\$-</u> | <u>\$-</u> | <u>\$-</u> | <u>\$-</u> |

The EPA Consent Decree

Notwithstanding the rate hikes implemented and increased borrowings effected during the 1970s and 1980s, as described above under "JEFFERSON COUNTY SEWER SYSTEM – The System's History," the County fell behind the schedule of planned rate increases set forth in the aforementioned blue-ribbon report. To catch up, the County implemented multi-year rate increases in 1991, taking rates to \$1.15 per CCF in 1992, \$1.35 per CCF in 1993, \$1.44 per CCF in 1994, \$1.58 per CCF in 1995, and \$1.73 per CCF in 1996.

During the 1990s, the Alabama Department of Environmental Management ("ADEM") imposed much stricter pollution standards. Specifically, ADEM required the County to measure its pollutant discharge not by the quantities discharged, but rather by the concentration of pollutants that resulted from the discharge. This methodology hinged on the volume of water of the streams into which the System discharged, and the volume in those streams would vary seasonally. ADEM required the County to use the most "conservative" volume, *i.e.*, lowest flow volume, to calculate pollutant concentrations. To meet these strict requirements, the County had to

implement more stringent treatment methods. ADEM also imposed new limitations on sewer bypasses. A bypass results when more sewage comes into a treatment plant or collection system than the system can convey or plant can treat. Bypasses are usually caused by rain water that infiltrates the collection system of a sewer, so the normal method of preventing bypasses is to repair the pipes and mains that constitute the collection system or store excess flows for later treatment. According to a plan commissioned by the County, making the required improvements to the collection system and treatment plants would cost \$416.8 million. ADEM required the County to perform this plan and to make annual reports about the County's progress.

Shortly thereafter, three citizens filed suit against the County in federal court alleging violations of the Clean Water Act. The EPA filed a separate action the next year, and the suits were consolidated. The court found the County to be in violation of its discharge permits and required the parties to negotiate a plan to fix the System's problems.

The result of this negotiation process was a Consent Decree (the "EPA Consent Decree"), which was formally entered on December 9, 1996 between the County and the EPA. The EPA Consent Decree required the County to eliminate all sewer overflows and bypasses. To fix the long-standing problem of poorly-performing municipal collection systems, the County assumed responsibility for the collection systems of twenty-one municipalities – more than 2,100 miles of sewer pipe and approximately 100 pump stations – without compensation from the municipalities. These municipal collection systems were consolidated under the County's control as part of the System, resulting in a system with more than 3,000 miles of sewer lines, 140 pump stations and nine WWTPs. The County also repaired or replaced roughly 730 miles of sewer mains, and made significant upgrades to the capacities of its treatment plants.

Cost Overruns, Financing Costs, and Corruption

Although initial estimates of construction costs for the EPA Consent Decree work ranged from around \$0.3 billion to \$1.2 billion, the County ultimately spent more than \$3.05 billion. The County borrowed this money by issuing several series of Sewer Warrants, beginning with over \$600 million in 1997. The County borrowed another \$953 million in 1999 and \$1.4 billion in 2001-2002. Furthermore, in connection with these borrowings, the County entered into several refinancing transactions that changed much of the underlying debt from fixed rate debt to variable rate debt with variable rate to fixed rate swap contracts. In addition, the structure required the use of financial guaranty insurance to make the County's debt marketable and less costly. For a detailed discussion of the Sewer Warrants and related indebtedness under the Retired Sewer Warrants Indenture, see Section III.D.1 of the Disclosure Statement, available at <http://www.jeffersoncountyrestructuring.com>. This reference is for convenience only and the information on this website is not incorporated in, and shall not be deemed a part of, this Official Statement.

Corruption played a significant role in both System construction projects and System financing. On the construction side, several County officials were convicted for having accepted bribes from contractors, while in office, in exchange for steering County business to them. A total of twenty individuals and organizations were found guilty for their corrupt practices: two former Commissioners, five other County employees, nine individual contractors, and four organizations.

Corruption also infected the County's financing activities. Two former Commissioners were found guilty of having solicited and accepted bribes in exchange for providing lucrative roles in County transactions to financial institutions, along with an investment banker and a local lobbyist who pled guilty to bribery charges in connection with the same.

The County increased sewer rates to service its new debts. In 1997, rates rose to \$1.78 per CCF. By 2002, rates had roughly doubled to \$3.53 per CCF. From there, rates continued climbing: \$4.90 per CCF in 2003, \$5.39 per CCF in 2004, \$5.93 per CCF in 2005, \$6.35 per CCF in 2006, \$6.87 per CCF in 2007, and \$7.40 per CCF in 2008. From 1997 to 2008, rates increased 316 percent.

After 2008, the County did not raise sewer rates until March 2013.

Defaults on the System's Debt Obligations

In late 2007 and early 2008, as an unprecedented financial crisis spread to all aspects of the global economy, the County's ability to pay debt service on the Sewer Warrants worsened. In 2008, the underlying credit ratings of the County's Sewer Warrants were downgraded, as were the credit ratings of two of the insurers of the Sewer Warrants, Financial Guaranty Insurance Company ("FGIC") and Syncora Guarantee Inc., formerly known as XL Capital Assurance Inc. ("Syncora"). Many holders of the County's variable rate demand Sewer Warrants tendered their warrants for immediate payment, causing the maturity date of a substantial amount of the County's Sewer Warrants to be accelerated from as late as forty years to four years or less. Auctions for the County's auction-rate Sewer Warrants failed for lack of bidders, requiring the County to pay higher interest rates. In 2008, the County failed to comply with a rate covenant in the Retired Sewer Warrant Indenture and defaulted in payment of the Sewer Warrants and, as a result, under the applicable insurance policies the Sewer Warrant insurers were obligated to pay accelerated principal redemptions on the variable rate demand warrants, as well as regularly scheduled interest on Sewer Warrants that the County failed to pay. Thus, although the System remained operationally sound, the finances of the System deteriorated even further.

In September 2008, the Retired Sewer Warrants Trustee, along with FGIC and Syncora, filed suit against the County in federal court seeking to appoint a receiver over the System pursuant to the terms of the Indenture. While noting that the plaintiffs had made a sufficient factual showing to be entitled to the appointment of a receiver, the federal court held that it did not have jurisdiction to appoint a receiver with rate making authority and abstained from exercising jurisdiction over the case. The Retired Sewer Warrants Trustee then filed an action seeking the appointment of a receiver in the Jefferson County Circuit Court (the "State Court"). In September 2010, the State Court, through a circuit judge from Russell County appointed after all circuit judges within Jefferson County recused themselves, held that the County was in default of its obligations under the Retired Sewer Warrant Indenture and appointed John S. Young as receiver over the System. John S. Young served as receiver over the System commencing September 2010. While the order of the State Court appointing the receiver over the System remains in place, that order has been stayed by operation of the automatic stays of the Bankruptcy Code and John S. Young has not had any involvement with the System since the Filing Date, though John S. Young continues to hold the office of receiver. Pursuant to Section 4.11 of the Plan, (a) from and after the Effective Date, John S. Young's status as the receiver of the System will be terminated, and (b) as soon as reasonably practicable after the Effective Date, the Retired Sewer Warrants Trustee shall dismiss the State Court receivership action with prejudice.

Closing Agreement with IRS

In August, 2013, the County and the IRS entered a Closing Agreement on Final Determination Covering Specific Matters (the "Closing Agreement") permitted under Section 7121 of the Internal Revenue Code of 1986, as amended. The Closing Agreement addressed and conclusively resolved certain tax issues considered by the IRS in an examination of the Retired Sewer Warrants. As a condition to the Closing Agreement, the County paid the IRS a \$4.5 million settlement amount from System Revenues. The Closing Agreement was requested by the County in anticipation of the issuance of the Warrants.

THE COUNTY, ITS GOVERNMENT AND ITS FINANCIAL SYSTEM

Certain information concerning the County is attached as Appendix G hereto.

JEFFERSON COUNTY BANKRUPTCY

The County filed a voluntary petition for relief under Chapter 9 of the Bankruptcy Code on the Filing Date. Although various parties challenged the County's ability to file for relief under Chapter 9 of the Bankruptcy Code, the Bankruptcy Court entered an order for relief in the Bankruptcy Case on March 4, 2012. See Appendix H hereto for a more detailed discussion of the Bankruptcy Case including the events that led to the filing of the Bankruptcy Case, significant litigation during the Bankruptcy Case and other material events during the Bankruptcy Case.

THE PLAN OF ADJUSTMENT

General

Pursuant to Section 941 of the Bankruptcy Code, the County has filed with the Bankruptcy Court the County's Plan of Adjustment and its accompanying Disclosure Statement. The Plan of Adjustment sets forth the manner in which all claims (herein "Claims") in the Bankruptcy Case will be treated if the Plan of Adjustment is confirmed by the Bankruptcy Court and becomes effective. Additional information about the Plan of Adjustment is included as Appendix H – "JEFFERSON COUNTY BANKRUPTCY – The Plan of Adjustment and Its Treatment of Claims" hereto. For a complete understanding of the Plan of Adjustment, prospective investors in the Warrants should read each of the Plan of Adjustment and the Disclosure Statement (including all supplements, exhibits and appendices attached thereto). Electronic copies of certain documents filed with the Bankruptcy Court, including, among others, the Plan of Adjustment and the Disclosure Statement, may be found at <http://www.jeffersoncountyrestructuring.com>. This reference is for convenience only and the information on this website is not incorporated in, and shall not be deemed a part of, this Official Statement.

For a Chapter 9 plan to become effective, it must ultimately be confirmed by order of a bankruptcy court and become effective in accordance with its terms. See "PROSPECTIVE BANKRUPTCY CONSIDERATIONS" herein for additional information about the confirmation process. The Plan of Adjustment has not yet been confirmed by the Bankruptcy Court. The Bankruptcy Court has scheduled the hearing on the confirmation of the Plan of Adjustment to begin on November 20, 2013 (the "Confirmation Hearing"). If the Bankruptcy Court confirms the Plan of Adjustment, the Bankruptcy Court will enter the Confirmation Order confirming the Plan of Adjustment, whereupon the Plan of Adjustment shall become the Confirmed Plan of Adjustment. As described in "LITIGATION – General" herein, it is possible that one or more of the parties opposing confirmation of the Plan of Adjustment will appeal the Confirmation Order. Appeal of the Confirmation Order would not preclude the County from proceeding with consummation of its Confirmed Plan of Adjustment unless the appellant obtained a stay of the Confirmation Order pending the resolution of the appeal.

The Plan of Adjustment is structured around a series of significant inter-related, multi-party compromises and settlements, including releases and injunctions, among the County and various creditors. Through the Confirmed Plan of Adjustment, the County will realize up to \$1.5 billion of concessions from the holders and insurers of, and the liquidity providers for, the Retired Sewer Warrants, plus the elimination of over \$76 million in swap termination fees relating to the Retired Sewer Warrants. These eliminated swap termination fees, in addition to concessions already obtained of \$647 million in swap termination fees relating to the Retired Sewer Warrants due to the settlement between JPMorgan and the U.S. Securities and Exchange Commission and \$31 million in swap termination fees relating to the Retired Sewer Warrants due to the settlement between Bank of America and various state attorneys general, will facilitate the County's efforts to refund and retire the approximately \$3.1 billion of indebtedness currently due with respect to the Retired Sewer Warrants with the proceeds from the issuance of the Warrants and other creditor concessions. Under the terms of the Confirmation Order and the Confirmed Plan of Adjustment, holders of the Retired Sewer Warrants will receive approximately \$1.7 billion (subject to certain upward adjustments) in return for the cancellation and retirement of the Retired Sewer Warrants in full.

The Discharge and Release of the County under the Plan of Adjustment

The Plan of Adjustment provides that rights afforded in the Plan of Adjustment and the treatment of all Claims by the Plan of Adjustment shall be in exchange for and in complete settlement, satisfaction, discharge, and release of, and injunction against, all claims of any nature whatsoever arising prior to the Effective Date against the County or its property, including any interest accrued on such claims from and after the Filing Date.

Bankruptcy Court Validation of the Warrants and the Approved Rate Structure

The Plan of Adjustment provides for the Bankruptcy Court's validation of the Warrants and the Approved Rate Structure. Such validations are expressly contemplated by Section 944(b)(3) of the Bankruptcy Code, which provides that a debtor is discharged from all debts only as of the time when, among other things, the bankruptcy court has determined (A) that any security deposited by the debtor with a disbursing agent appointed by the bankruptcy court for distribution under a Chapter 9 plan of adjustment "will constitute, after distribution, a valid legal obligation of the debtor" and (B) that "any provision made to pay or secure payment of such obligation is valid."

With respect to the validation of the Warrants, Section 5.10 of the Plan of Adjustment provides that from and after the Effective Date, confirmation of the Plan of Adjustment shall be a binding judicial determination that the Warrants, the Indenture, the Rate Resolution and the covenants made by the County in the Indenture for the benefit of the holders of the Warrants are valid, binding and legally enforceable obligations of the County under Alabama law, and that the provisions made to pay or secure payment of such obligations are valid, binding, legal, and enforceable security interests or liens on or pledges of revenues. With respect to the validation of the Approved Rate Structure, Section 5.11 of the Plan of Adjustment specifically provides that pursuant to certain sections of the Bankruptcy Code, from and after the Effective Date, the Confirmation Order shall be a binding judicial determination that the Approved Rate Structure is valid and is reasonable, non-discriminatory, and legally binding, and that the County shall adopt and maintain the Approved Rate Structure in accordance with the Rate Resolution and to satisfy the County's obligations respecting the Warrants and the Indenture. As such, the Confirmation Order, including the requirement that the County adopt and maintain the Approved Rate Structure, is intended to be enforceable by appropriate orders or relief (including mandamus). See "Retention of Jurisdiction by Bankruptcy Court" below.

While validation of the Warrants, the Approved Rate Structure and other instruments and matters pursuant to the Confirmation Order as described herein is intended to insulate the Approved Rate Structure from legal challenge, there can be no assurance that the Approved Rate Structure will withstand such a challenge. See "RISK FACTORS – Post-Confirmation Challenges to, or Non-Compliance with, the Approved Rate Structure" herein.

Approval of Warrants Under 11 U.S.C. § 364

Section 4.17 of the Plan of Adjustment provides that all indebtedness, extensions of credit and grants of liens necessary to implement the Plan of Adjustment, including the offering of the Warrants, the issuance of any related letters of credit, the incurrence of any underwriting or other transaction fees to be paid at closing, and the provision of the Series 2013 Insurance Policy, shall be approved pursuant to Section 364 of the Bankruptcy Code with the associated protections under Section 364(e) of the Bankruptcy Code. Section 364(e) provides that "[t]he reversal or modification on appeal of an authorization under this section to obtain credit or incur debt, or of a grant under this section of a priority or a lien, does not affect the validity of any debt so incurred, or any priority or lien so granted, to an entity that extended such credit in good faith, whether or not such entity knew of the pendency of the appeal, unless such authorization and the incurring of such debt, or the granting of such priority or lien, were stayed pending appeal."

Consent by County to Entry of Orders

Section 904 of the Bankruptcy Code provides that, "unless the debtor consents or the plan so provides, the court may not, by any stay, order, or decree, in the case or otherwise, interfere with (1) any of the political or governmental powers of the debtor; (2) any of the property or revenues of the debtor; or (3) the debtor's use or enjoyment of any income-producing property." Section 4.1 of the Plan of Adjustment provides the express consent of the County to the entry of the Confirmation Order on the terms and conditions set forth in the Plan of Adjustment, and to the entry of further orders as necessary or required to implement the Plan of Adjustment and related transactions.

Retention of Jurisdiction by Bankruptcy Court

Section 945(a) of the Bankruptcy Code provides that a bankruptcy court "may retain jurisdiction over the case for such period of time as necessary for the successful implementation of the plan." Section 6.4 of the Plan of Adjustment provides, among other things, that notwithstanding the entry of the Confirmation Order or the occurrence of the Effective Date, the Bankruptcy Court shall retain exclusive jurisdiction over the Bankruptcy Case after the Effective Date to the fullest extent provided by law, including the jurisdiction to "[a]djudicate any and all controversies, suits, or issues that may arise regarding the validity of any actions taken by any Person pursuant to or in furtherance of the Plan of Adjustment, including implementation or enforcement of the Approved Rate Structure and issuance of the [Warrants] under the [Indenture], and enter any necessary or appropriate orders or relief (including mandamus) in connection with such adjudication." Although the Plan of Adjustment provides for the post-confirmation jurisdiction of the Bankruptcy Court over any challenges to the Plan of Adjustment and its implementation, the County cannot assure that the Bankruptcy Court would exercise such jurisdiction if any such challenges are made.

PROSPECTIVE BANKRUPTCY CONSIDERATIONS

The County does not contemplate, in its Plan of Adjustment or otherwise, that it will file for relief under Chapter 9 again in the future. If, however, another Chapter 9 case were to be commenced by the County prior to the payment in full of the Warrants, the rights and remedies of the Holders of the Warrants and of the Trustee would be subject to the provisions of Chapter 9.

Chapter 9 provides for the court-supervised reorganization of a municipality's financial affairs. Upon the commencement of a Chapter 9 case, all lawsuits and other remedial actions to collect debts owed by the Chapter 9 debtor or secured by the debtor's property are automatically stayed. In Chapter 9 cases, unless the debtor consents or the debtor's plan of adjustment so provides, the bankruptcy court may not interfere with (1) any of the political or governmental powers of the debtor; (2) any of the property or revenues of the debtor; or (3) the debtor's use or enjoyment of any income-producing property.

The Bankruptcy Code specifies the requirements for a municipality to be eligible to file for Chapter 9. The burden for establishing eligibility for relief under Chapter 9 lies upon the governmental entity seeking relief. An entity may be a debtor under Chapter 9 only if such entity: (1) is a municipality; (2) is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9 by applicable state law, or by a governmental officer or organization empowered by State law to authorize such entity to be a debtor under Chapter 9; (3) is insolvent; (4) desires to effect a plan to adjust such debts; and (5) (A) has obtained the agreement of creditors holding at least a majority in amount of the claims of each class that such entity intends to impair under a plan in a case under Chapter 9; (B) has negotiated in good faith with creditors and has failed to obtain the agreement of creditors holding at least a majority in amount of the claims of each class that such entity intends to impair under a plan in a case under Chapter 9; (C) is unable to negotiate with creditors because such negotiation is impracticable; or (D) reasonably believes that a creditor may attempt to obtain a transfer that is avoidable under Section 547 of the Bankruptcy Code.

A Chapter 9 debtor has the exclusive right to file a Chapter 9 plan of adjustment. A Chapter 9 plan of adjustment may provide for, among other things, the extension of a Chapter 9 debtor's debt maturities, the reduction of interest or principal on its debts, the refinancing of its debt by obtaining new credit to pay off existing debt, in whole or in part, or other modifications to the debtor's debt obligations.

For a Chapter 9 plan to become effective, it must be confirmed by order of a bankruptcy court. The requirements for confirming a Chapter 9 plan are complex. Section 943(b) provides that a bankruptcy court shall confirm a Chapter 9 plan of adjustment if: (1) the plan complies with the provisions of the Bankruptcy Code made applicable in Chapter 9 cases by sections 103(e) and 901 of the Bankruptcy Code; (2) the plan complies with the provisions of Chapter 9; (3) all amounts to be paid by the debtor or by any person for services or expenses in the case or incident to the plan have been fully disclosed and are reasonable; (4) the debtor is not prohibited by law from taking any action necessary to carry out the plan; (5) except to the extent that the holder of a particular claim has agreed to a different treatment of such claim, the plan provides that on the effective date of the plan each holder of a claim of a kind specified in Section 507(a)(2) of the Bankruptcy Code will receive on account of such claim cash equal to the allowed amount of such claim; (6) any regulatory or electoral approval necessary under applicable nonbankruptcy law in order to carry out any provision of the plan has been obtained, or such provision is expressly conditioned on such approval; and (7) the plan is in the best interests of creditors and is feasible.

Section 901 of the Bankruptcy Code incorporates Section 1129(a)(10) of the Bankruptcy Code into Chapter 9. Accordingly, for a Chapter 9 plan to be confirmed, at least one class of impaired claims must vote to accept that plan (without counting the votes of any "insiders" whose claims are classified within that class). A class of impaired claims has accepted a Chapter 9 plan only when the holders of at least a majority in number and at least two-thirds in dollar amount of the allowed claims actually voting in that class vote to accept the plan. Through application of Sections 1129(a)(8), 1129(b)(1), 1129(b)(2)(A) and 1129(b)(2)(B) of the Bankruptcy Code, Section 901 of the Bankruptcy Code provides that, if one class of impaired claims accepts a Chapter 9 plan, but other impaired classes do not, then the Chapter 9 debtor must demonstrate that its Chapter 9 plan is "fair and equitable" and does not discriminate unfairly with respect to each impaired class that has not accepted the plan. Other provisions regarding the confirmation of Chapter 9 plans of adjustment incorporated through Section 901 of the Bankruptcy Code include: (1) Section 1129(a)(2), which requires that the plan proponent must comply with applicable provisions of the Bankruptcy Code, such as those governing disclosure; (2) Section 1129(a)(3), which

requires that the plan be proposed in good faith and not by any means forbidden by law; and (3) Section 1129(a)(6), which requires that any governmental regulatory commission with jurisdiction, after confirmation of a Chapter 9 plan, over the rates of the debtor must approve any rate change provided for in the plan, or such rate change must be expressly conditioned on such approval.

Section 944 of the Bankruptcy Code governs the effect of confirmation of a Chapter 9 plan of adjustment. Under that section, the provisions of a confirmed plan bind the debtor and any creditor, whether or not (1) a proof of such creditor's claim is filed or deemed filed under the Bankruptcy Code; (2) such claim is allowed under section 502 of the Bankruptcy Code; or (3) such creditor has accepted the plan. Except as provided in Section 944(c) of the Bankruptcy Code, the debtor is discharged from all debts as of the time when (a) the plan is confirmed; (b) the debtor deposits any consideration to be distributed under the plan with a disbursing agent appointed by the court; and (c) the court has determined (i) that any security so deposited will constitute, after distribution, a valid legal obligation of the debtor; and (ii) that any provision made to pay or secure payment of such obligation is valid. Under Section 944(c), the debtor is not discharged from any debt (A) excepted from discharge by the plan or order confirming the plan; or (B) owed to an entity that, before confirmation of the plan, had neither notice nor actual knowledge of the case.

The Net Revenues Opinion and the Fee Opinion, both as described in Appendix H – "JEFFERSON COUNTY BANKRUPTCY - Litigation During the County's Bankruptcy Case - The Net Revenues Litigation" hereto, as well as other rulings and orders of the Bankruptcy Court in the County's Bankruptcy Case, potentially could be of consequence in a subsequent Chapter 9 proceeding involving the County commenced after the issuance of the Warrants. These opinions analyzed Section 928 of the Bankruptcy Code and its effect on the net revenue pledge securing the Retired Sewer Warrants. Those opinions held that certain attorneys fees and expenses actually and reasonably incurred by the County in connection with its Bankruptcy Case, as well as certain capital expenses actually and reasonably incurred with respect to the System, may constitute "necessary operating expenses" for purposes of Section 928(b) and, therefore, may be entitled to payment from net System revenues prior to payment of debt service on the Retired Sewer Warrants. Both the Net Revenues Opinion and the Fee Opinion have been appealed but not yet ruled upon by the appellate court. Upon the Effective Date of the Confirmed Plan of Adjustment, these appeals will be dismissed pursuant to the terms of the Confirmed Plan of Adjustment.

The Receiver-Stay Litigation Opinion, described in Appendix H – "JEFFERSON COUNTY BANKRUPTCY - Litigation During the County's Bankruptcy Case - The Receiver Stay Litigation" hereto, may also be consequential in any subsequent County bankruptcy proceeding. The Receiver-Stay Litigation Opinion held that the automatic stays in effect in the Bankruptcy Case did stay the Retired Sewer Warrants Trustee and the state-court appointed Receiver from taking further action with respect to the System, but also ruled that Section 922(d) of the Bankruptcy Code required the County to continue to remit to the Retired Sewer Warrants Trustee the net System revenues collected by the County post-petition and allowed for application of such funds to the payment of the Retired Sewer Warrants. The Receiver-Stay Litigation Opinion was appealed but has not yet been ruled upon by the appellate court. Upon the Effective Date of the Confirmed Plan of Adjustment, all appellate proceedings regarding the Receiver-Stay Litigation Opinion will be dismissed pursuant to the terms of the Confirmed Plan of Adjustment.

If a subsequent Chapter 9 proceeding were filed by the County, an issue potentially could arise about whether and to what extent the bankruptcy court in such subsequent proceeding would be bound under the principles of *stare decisis* or otherwise to follow any of the opinions, orders, rulings or decisions of the Bankruptcy Court in the Bankruptcy Case, including the validation of the Approved Rate Structure. Even if the bankruptcy court in a subsequent Chapter 9 proceeding were to conclude that it was not bound by such prior opinions and rulings in the Bankruptcy Case, such bankruptcy court could find such opinions and rulings to be influential if not controlling in determining certain issues, including, without limitation, whether and to what extent capital expenses and professional fees actually incurred by the County or the System during a subsequent Chapter 9 proceeding may be deemed "necessary operating expenses" under Section 928(b) of the Bankruptcy Code so as to be payable ahead of application of the System revenues pledged as security for the Warrants.

RISK FACTORS

Introduction

In making a decision whether to purchase the Warrants, potential investors should consider certain risks and investment considerations which could affect the ability of the County to pay Debt Service on the Warrants

in a timely manner and which could affect the marketability of or the market price for the Warrants. These risks and investment considerations are discussed throughout this Official Statement. Certain of these risks and investment considerations are set forth in this section for convenience, but this discussion is not intended to be a comprehensive or exhaustive compilation of all possible risks and investment considerations nor a substitute for an independent evaluation of the information presented in this Official Statement. Each prospective investor of Warrants should read this Official Statement in its entirety, including the appendices hereto, and should consult such prospective investor's own investment and/or legal advisor for a more complete explanation of the matters that should be considered when evaluating an investment such as the Warrants. Each prospective investor should carefully examine his, her or its own financial condition in order to make a judgment as to his, her or its ability to bear the risk of an investment in the Warrants.

Limited Source of Payment

The Warrants are limited obligations of the County payable solely from the General Trust Estate, with the Series 2013 Senior Lien Obligations being additionally payable from the Series 2013 Senior Lien Trust Estate and the Series 2013 Subordinate Lien Obligations being additionally payable from the Series 2013 Subordinate Lien Trust Estate. The Warrants do not constitute or give rise to a personal or pecuniary liability or a charge against the general credit of the County, and the Warrants do not constitute a debt or liability of the County for which there is a right to compel the exercise of any taxing power the County may have. Further, neither the State of Alabama nor any political subdivision thereof, other than the County (and, as to the County, subject to the limitations described herein), is liable in any way for payment of the Warrants. Accordingly, payment of the Warrants is dependent upon the financial performance of the System. See "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS" herein.

General Economic and Political Risks

The financial performance of the System will be affected by, and will be subject to, general economic and political events and conditions that will change in the future to an extent and with effects that cannot be determined at this time. These general economic and political events and conditions include, among other things, population, demographic and employment changes and trends; periods of inflation or deflation; variable patterns of national and regional economic growth, whether cyclical or structural in nature; disruptions in credit and financial markets; political gridlock concerning, among other matters, national tax and spending policies; political developments in the County, the municipalities within the jurisdiction of the County and the State; budget and debt limit controversies, both nationally, at the State level and locally; and unusually large numbers of business failures and business and consumer bankruptcies and policy responses, or lack thereof, to the foregoing.

Risks Related to Collateral

The Warrants are not secured by a lien on the physical assets comprising the System. Accordingly, no physical assets of the County may be foreclosed on to produce amounts to pay the Warrants in the event revenues from the System held pursuant to the Indenture are insufficient to pay timely Debt Service on the Warrants. Rather, the Trust Estate consists of the various funds established under the Indenture as described herein and the System Revenues. Consequently, proceeds from the Trust Estate and any enforcement of the security interest therein will be received over time as the County deposits System Revenues into the Revenue Fund, and not in a lump sum following a liquidation event such as a foreclosure sale.

Enforceability of Remedies

The remedies available under the Indenture upon the occurrence of an Indenture Default are in many respects dependent upon judicial actions, which are often subject to substantial discretion and delay. Additionally, under Alabama constitutional and statutory law and judicial decisions concerning remedies, certain of these remedies may be limited, or may not be readily available or enforceable. The enforceability of remedies or rights with respect to the Warrants also is limited by state and federal bankruptcy, reorganization, insolvency, sovereign immunity, moratorium and other similar laws affecting creditors' rights or remedies currently in effect and may be limited by such laws hereafter enacted. See "PROSPECTIVE BANKRUPTCY CONSIDERATIONS" above.

Future Bankruptcy

There can be no assurance that the County will not file another bankruptcy petition under Chapter 9. Although the compromises and settlements provided in the Plan of Adjustment and actions taken by the County while in bankruptcy, such as asset sales and expense reductions, have alleviated many of the County's most significant financial problems, other concerns that precipitated the County's bankruptcy filing have not been eliminated. For example, despite its good faith efforts, the County has been unable to find a reliable replacement for the receipt of Occupational Tax revenues that historically had been the source of a significant portion of the County's unrestricted General Fund revenues. See Appendix H hereto. The County achieved a balanced budget for each of the fiscal years that began October 1, 2012 and October 1, 2013, as required by State law, through a series of cost-cutting measures and significant service reductions. However, the County does not possess "home rule". The County, therefore, cannot impose or raise taxes without authorization from the Alabama Legislature and, therefore, remains reliant upon the Alabama Legislature for authorization to impose a new occupational tax or similar taxes to provide a reliable replacement for the Occupational Tax. Without additional revenue, it may be more difficult in the future to balance the County budget in accordance with Alabama law while maintaining current service levels. See Appendix H – "JEFFERSON COUNTY BANKRUPTCY - Events Leading to Filing of Bankruptcy Case" hereto. Unless and until such General Fund relief is obtained, the chances are greater than would otherwise be the case that a future event or combination of events, including the County's inability to raise rates or obtain financing to fund required future improvements to the System, will cause a financial crisis of such severity that the County is forced to file another Chapter 9 case. Poor performance from enterprise operations of the County, such as the System, could also cause the County to file another Chapter 9 case.

In the event of a bankruptcy filing by the County under Chapter 9 following delivery of the Warrants, all determinations made in the current Bankruptcy Case, including the approval and validation of the Approved Rate Structure, might be challenged in the subsequent bankruptcy proceeding. In addition, because the Net Revenues Opinion, the Fee Opinion and the Receiver-Stay Litigation Opinion were appealed but not yet ruled upon by the appellate court due to the entry of orders granting the County's motions to stay such proceedings, the issues addressed in those opinions might also be subject to litigation in a subsequent bankruptcy proceeding. See "PROSPECTIVE BANKRUPTCY CONSIDERATIONS" above.

Additional Secured Obligations

The County may issue additional Secured Obligations in accordance with the provisions of the Indenture, either as additional Senior Lien Obligations on a parity of lien with the Series 2013 Senior Lien Obligations with respect to the General Trust Estate (but only for the purpose of refunding then existing Senior Lien Obligations or in the event Senior Lien Reserve Fund Warrants are issued) or as additional Subordinate Lien Obligations on a parity of lien with the Series 2013 Subordinate Lien Obligations with respect to the General Trust Estate. The issuance of additional Secured Obligations would, in the case of issuances to finance capital improvements, and could, in the case of issuances to refinance some or all of the Warrants, increase the debt service requirements to be serviced by System Revenues. See "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS – Additional Secured Obligations" herein.

Unsecured and Subordinate Obligations

The Indenture does not prohibit the County from incurring additional debt, regardless of amount, that is not secured by the System Revenues or that is secured by a lien on System Revenues that is subordinate to the lien of the Indenture. While, except as described in the sentence immediately following the following cross-references, this debt will not directly impact the debt service coverage on the Warrants, if the County is unable to repay the principal of, and interest on, this debt, it might, in extreme circumstances or in combination with other adverse conditions (such as those which existed when the County filed the Bankruptcy Case), cause the County to have to file for relief under Chapter 9 again. See "RISK FACTORS – Future Bankruptcy" and "PROSPECTIVE BANKRUPTCY CONSIDERATIONS" herein. Moreover, because under the Indenture the County can direct that excess funds in the Revenue Fund each month be used to pay Unsecured Obligations instead of placing these funds in the Capital Improvement Fund, the impact of such additional debt might be to reduce funds that otherwise would have been transferred to the Capital Improvement Fund and be available for capital improvements to the System or to pay Debt Service on the Warrants (funds in the Capital Improvement Fund being part of the Trust Estate available to pay Debt Service on the Warrants). There is no limit on the amount of System Revenues that can be used to pay Unsecured Obligations, other than that there are excess funds available in the Revenue Fund each month for this

purpose, and the cumulative impact on the financial condition of the System and specifically the holders of the Warrants could be material.

Reliance on Assumptions, Forecasts and Projections

In preparing the Feasibility Study, the Feasibility Consultant has relied upon certain assumptions and projections regarding future operating expenses, capital expenditures and Debt Service on the Warrants, some of which are those of the County or its consulting engineer, Brown and Caldwell. See "FEASIBILITY STUDY – General" herein. The Feasibility Consultant has also made certain other assumptions, including assumptions regarding usage of the System's services, weather patterns and the response customers of the System will have to the rate increases required under the Approved Rate Structure. Projected operating and financial performance of the System may not be indicative of future performance; actual results will differ from those included in the Feasibility Study, and such differences may be material. The County cannot give any assurance that the events assumed will materialize or that actual results will match those projected, and any such differences may be material. In addition, the future policies, operations and financing decisions of the County may not be the same as those assumed in the Feasibility Study. No representation is made or intended, nor should any representation be inferred, with respect to the likely existence of any particular future set of facts or circumstances, and prospective purchasers of the Warrants are cautioned not to place undue reliance upon the Feasibility Study or the revenue forecasts or other projections contained therein. In particular, it should be noted that the nature and extent of the Approved Rate Structure's effect on revenues generated from the System are not currently determinable. If actual results are less favorable than the results projected or if the assumptions used in preparing such projections prove to be incorrect, the County's ability to make timely payment in respect of the Warrants may be materially and adversely affected.

Sewer Tax Proceeds

There can be no assurance that ad valorem taxes collected by the County, including the portion thereof earmarked for the System (i.e. the Sewer Tax Proceeds), will remain at current levels since the current level of ad valorem tax collection is dependent on many factors, including taxpayer appeals from increased property assessments. Although Sewer Tax Proceeds are not pledged to secure the Warrants, they are used to pay Operating Expenses, so any significant reduction in Sewer Tax Proceeds could have a material adverse impact on the financial position of the System. It is also possible that Alabama law could be amended to repeal the Sewer Tax. In order to amend Alabama statutory law, a bill must be introduced and passed by a majority of members who are present and voting in each of the Alabama House of Representatives and the Alabama Senate. The bill is then submitted to the Governor of the State, and the same may be approved by signature of the Governor or by failure of the Governor to return the unsigned bill back to the house in which the bill originated within six (6) days (Sundays excepted) after it was presented to the Governor. If the Governor disapproves the bill, he may veto it, in which event the Governor must return the bill to the house in which it originated, and if the same bill is thereafter approved by a majority of the members elected to both houses it becomes law notwithstanding the Governor's veto.

Post-Confirmation Challenges to, or Non-Compliance with, the Approved Rate Structure

In light of challenges to previous rate increases, objections to the Plan of Adjustment or Disclosure Statement filed in the Bankruptcy Case (including objections filed by the Birmingham Water Works Board, which provides billing services to more than 85 percent by volume of the System's customers), the September 23, 2013, passage by the Commission of the sewer rate increases by a vote of 3 to 2, and vocal public opposition to the rate increases provided by the Approved Rate Structure, it is reasonably possible that, prior to the payment in full of the County's obligations with respect to the Warrants, the implementation of the Approved Rate Structure and of the increases and adjustments to the User Charges contemplated thereby will be challenged. Indeed, one current member of the Commission has joined the public efforts of groups expressing concern over and questioning the legality of the Approved Rate Structure, and a declaration signed by such Commissioner was attached to one of the objections to the County's Disclosure Statement in the Bankruptcy Case, the briefing in support of a claim against the County in the Bankruptcy Case, and an objection to confirmation of the County's Plan of Adjustment in apparent support of such objections and claim. While validation of the Approved Rate Structure pursuant to the Confirmation Order as described herein is intended to insulate the Approved Rate Structure from legal challenge, there can be no assurance that the Approved Rate Structure will withstand such a challenge. If the Approved Rate Structure is successfully challenged, the County's ability to timely pay the Warrants would likely be materially and adversely affected. Further, any such challenge would likely be time consuming and expensive, and, even if unsuccessful, could have an adverse financial impact on the System.

Such a challenge to the Approved Rate Structure might be pursued by a person who is then paying rates or charges for use of the System, a member of the Commission then holding office, the Attorney General of the State of Alabama then holding office, or one or more other persons and might be made in the form of a post-confirmation legal action commenced in state or federal court by one or more System ratepayers to enjoin the County's implementation of increases in or adjustments to the User Charges as contemplated by the Approved Rate Structure, or might be in the form of the then-current Commission taking action to block, or refusing to take action necessary to implement, the increases in or adjustments to the User Charges then contemplated under the Approved Rate Structure on the grounds that such increases or adjustments are not reasonable under Alabama law, or may be pursued by other means. Although the Alabama Attorney General has not filed an objection to confirmation of the Plan of Adjustment or the validation of the Approved Rate Structure, the Alabama Attorney General did write the Commission in November 2012 questioning the reasonableness of rate increases (which at that time were designed to increase revenues by 5.89% in the first year) that reflect System costs incurred due to corruption, negligent oversight, capital projects that did not result in useful plant and equipment improvements and imprudent decisions to "overbuild" the System.

The Plan of Adjustment was drafted with the intent that the Confirmation Order confirming the Plan of Adjustment and validating the Approved Rate Structure pursuant to Section 944(b)(3) of the Bankruptcy Code shall be a final order of a federal court with preclusive effect that is fully enforceable post-confirmation. Section 5.11 of the Plan of Adjustment states that "from and after the Effective Date, (a) the Confirmation Order shall constitute a consent decree binding upon, specifically enforceable against, and a basis for mandamus against the County, the Commission, and all other Persons in accordance with the Plan; (b) the validity and enforceability of the Approved Rate Structure and the Rate Resolution shall not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date; and (c) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the Approved Rate Structure and the Rate Resolution, to require the County to otherwise comply with the [Warrants] and the [Indenture], and to hear and adjudicate any action or proceeding enforcing, challenging, or collaterally attacking the Approved Rate Structure or the Rate Resolution." As discussed above under "THE PLAN OF ADJUSTMENT-Retention of Jurisdiction by Bankruptcy Court," the Plan of Adjustment provides that the Bankruptcy Court shall retain jurisdiction post-confirmation to, among other things, "[a]djudicate any and all controversies, suits, or issues that may arise regarding the validity of any actions taken by any Person pursuant to or in furtherance of the Plan of Adjustment, including implementation or enforcement of the Approved Rate Structure and issuance of the [Warrants] under the [Indenture], and enter any necessary or appropriate orders or relief (including mandamus) in connection with such adjudication..." And, as discussed under "THE PLAN OF ADJUSTMENT-Consent by County," Section 4.1 of the Plan of Adjustment provides the express consent of the County not only to the entry of the Confirmation Order, but also to the entry of further orders as necessary or required to implement the Plan of Adjustment and related transactions.

Regarding Bankruptcy Code Section 944(b)(3)'s validation provisions, the leading bankruptcy treatise offers the following commentary:

The requirement of a court determination of validity is extra assurance for those who might be skittish about the nature of the bonds being issued. It does not differ materially from the frequent requirement of bond underwriters that there be an opinion of counsel, attesting to the validity of corporate (or municipal) bonds issued in a public underwriting. *It has the added feature of removing any doubt concerning the matter, because the determination of the court on that issue should be binding in the future.* Subsequent purchasers of the bonds will be in privity with their original distributees and will take subject to the bankruptcy court's finding of validity, to which the original distributees, presumably creditors, were parties. Similarly, the debtor will be bound.

6 COLLIER ON BANKRUPTCY ¶ 944.03[1][b] (16th ed. rev. 2013) (emphasis added).

Notwithstanding the legal authority described above, the County is not aware of any cases in which a structure for the setting of utility rates and charges over an extended period of time (such as the Approved Rate Structure) set forth in a confirmed Chapter 9 plan has been validated pursuant to Bankruptcy Code Section 944(b)(3) and, thus, is not aware of any court opinions regarding whether or the extent to which the validation of a rate structure such as the Approved Rate Structure in a confirmed Chapter 9 plan will be enforced if subsequently

challenged post-confirmation. Accordingly, there can be no guarantee that the Bankruptcy Court or other court of competent jurisdiction will enforce the Approved Rate Structure and the Rate Resolution, or the provisions of the Confirmed Plan of Adjustment with respect to the same, should the Approved Rate Structure be challenged post-confirmation prior to the payment in full of the Warrants. In particular, the Constitution of Alabama of 1901, as amended, requires that sewer system rates be "reasonable and non-discriminatory." Whether, and in what manner, a federal bankruptcy court is required to defer to state constitutional provisions is unclear and untested.

It should also be noted that although the Plan of Adjustment provides for the post-confirmation jurisdiction of the Bankruptcy Court over any challenges to the Plan of Adjustment and its implementation, the County cannot assure that the Bankruptcy Court would exercise such jurisdiction if any such challenges are made. Moreover, due to a number of cases pending before federal bankruptcy courts across the county, such as the recent bankruptcy filing by the City of Detroit, Michigan, precedent may be formed in the near future that is contrary to or inconsistent with the descriptions of law described in this Official Statement.

Rate Covenant and Limits on Future Rate Increases

The County adopted the Rate Resolution as part of the Indenture and thereby covenants and agrees that, so long as any of the Warrants are outstanding, it will keep the Rate Resolution in full force and effect and will comply with the terms of the Rate Resolution. The County's obligation to comply with the Rate Resolution is cumulative and in addition to its separate and independent covenant and agreement to comply with the other terms and conditions for the setting of rates contained in Section 10.9 of the Indenture (with respect to maintenance of rates). Notwithstanding these provisions of the Indenture, under Alabama law, sewer rates established by the County must be reasonable and nondiscriminatory and are subject to review by the courts in that regard. In establishing rates, the actions of the County are presumed by the courts to be reasonable, but sewer rates must not be arbitrary, discriminatory or excessive. Consequently, any rates established pursuant to the County's separate and independent covenant and agreement contained in Section 10.9 of the Indenture could be challenged as being arbitrary, discriminatory or excessive. In this regard, the Feasibility Consultant has stated publicly and on the record in the Bankruptcy Case proceedings that, with respect to the rate increases contemplated in the Approved Rate Structure, it is the Feasibility Consultant's belief that such rate increases would impose a high burden on ratepayers, and that the impacts would cause rates from the System to approach the limits of reasonableness. Thus, there is a possibility that, if challenged, the County will be unable to increase rates beyond those contemplated in the Approved Rate Structure as may be required by Section 10.9 of the Indenture.

Rates Charged by Other Billing Partners

As discussed in more particular detail herein, the System has two billing partners in addition to its own billing operation, consisting of BWWB and Bessemer, which provide billing services to more than 93 percent (by volume) of the System's customers. See "JEFFERSON COUNTY SEWER SYSTEM - Billing, Collection and Rate Making Authority" herein. The rates charged by the BWWB and Bessemer impact affordability and the ability of customers to pay for use of the System. The BWWB has indicated a need to impose rate increases in fiscal year 2014 and in the future for services provided by its water system to customers that are also customers of the System. The BWWB objected to the Approved Rate Structure on the grounds that the rate increases imposed thereunder will impact the ability of the BWWB to levy and collect charges to maintain its water system. See Appendix H hereto. Similarly, increased water rates charged by Bessemer could impact the ability of its customers of the System to afford rate increases contemplated within the Approved Rate Structure, as well as further and additional rate increases as may be necessary as described herein.

Operating Risks

As with any sewer system of its size and complexity, operation of the System could be affected by many factors, the nature and extent of which are not currently determinable, including the breakdown or failure of equipment or processes, inability to achieve expected levels of efficiency, failure to operate at design specifications, failure by third parties to perform their obligations under agreements with the County (whether or not excused by force majeure), costs of supplies or services not under contract, changes in law or regulatory protocols, delays in receipt of or failure to obtain or maintain necessary permits or similar events. See Section 3.0 (entitled "Sewer System") of Appendix E – "MUNICIPAL ADVISOR'S FEASIBILITY STUDY" hereto for a discussion of the current physical condition of the System.

The System is also at risk from catastrophic events such as an intervening act of God or public enemy, water shortage, drought, flooding, extreme or unusual weather conditions, earthquake or other natural disaster, war, act of terror, sabotage, civil commotions, interference by civil or military authorities, nuclear or other explosion, radioactive or chemical contamination, fire, subsurface condition, public disorder, epidemic, quarantine restriction, strike, labor dispute or other labor protest, stop-work order or injunction issued by a governmental authority or government embargo. The occurrence of such events could significantly reduce revenues and/or significantly increase the costs of operating the System, thereby jeopardizing the ability of the System to generate revenues sufficient to make timely payments of Debt Service on the Warrants, to pay operating expenses of the System and/or to pay for necessary capital improvements to the System. The Indenture requires that the County maintain a reserve in the Operating Account equal to ¼ of projected annual Adjusted Operating Expenses (as defined in the Indenture), but lost revenues resulting from a catastrophic event described in this paragraph will likely exceed the amount of this reserve. The County is required to maintain certain insurance coverages to protect against certain of these operating risks, but the proceeds of such insurance may not be adequate to cover lost revenues or increased costs, and such insurance may not be available at all or such insurance may not be available on commercially reasonable terms. See Appendix A - "FORM OF INDENTURE – Section 10.8 – Covenants Regarding Ownership and Operation of the System – Insurance" hereto.

Collections Risks

As stated elsewhere herein, the County directly bills less than seven percent (by volume) of its customers, with the remaining customers being billed either by the BWWB, which remits sewer collections to the County weekly, or by Bessemer, which remits sewer collections to the County monthly. The normal practice of these billing partners is to apply customer payments first to the water portion of the bill, then to utility taxes and finally to the sewer portion of the bill. Payments on delinquent accounts are applied in the same order of priority. The result of this billing arrangement is that the County must wait longer than a normal utility to receive payment for services provided. While manageable under normal conditions, this billing arrangement could cause material financial hardship for the System during periods when System customers are experiencing extreme economic and financial distress or during a prolonged dispute between the County and a billing partner. See "JEFFERSON COUNTY SEWER SYSTEM - Billing, Collection and Rate Making Authority" herein.

Future Governmental Actions

Federal, state and local statutory and regulatory requirements (including requirements to obtain permits or other governmental approvals) applicable to the operation of the System are subject to change, and no assurance can be given that the County will be able to comply with such changes. The timing and impact of such future legislative or regulatory action cannot be predicted with certainty, and the impact of such action on the financial position of the System currently cannot be determined. Delay in obtaining or failure to obtain and maintain in full force and effect any required permits or other governmental approvals may result in additional costs or reduced revenues, including fines, a moratorium on sewer extensions and/or connections and, in extreme circumstances, the complete shutdown of the System or a substantial portion thereof. Such a change in legal requirements could occur because (i) existing laws or regulations are revised or reinterpreted; (ii) new laws or regulations are adopted or become applicable to the System; or (iii) a combination thereof. Further, there can be no assurance that the technology and equipment selected by the County to comply with such revised or reinterpreted or new laws will be implemented in a timely fashion or will meet such changed requirements upon implementation. Consequently any future revision or reinterpretation of existing laws or regulations or adoption of new laws or regulations could materially increase the cost of operating the System, which could have a negative and material impact on the County's ability to make timely payment of Debt Service on the Warrants.

Any future revision or reinterpretation of existing laws or regulations or adoption of new laws or regulations could also impose significant additional capital costs on the System. See "RISK FACTORS – Additional Capital Improvements" herein for a description of certain risks relating to the County's ability to fund such additional capital costs; see also "JEFFERSON COUNTY SEWER SYSTEM – Phosphorus" herein.

EPA Consent Decree

The County has complied and continues to comply with its commitments and obligations under the EPA Consent Decree. Although five of the System's basins have been released from the EPA Consent Decree, four other basins have not been released. The County's financial projections for the System are premised upon

reasonable estimates for the continued cost of complying with the terms of the EPA Consent Decree and the eventual termination of the EPA Consent Decree. There can be no assurance that the actual cost of compliance will not exceed the County's estimates, however, nor can any assurance be given that the County will be able to comply fully with its remaining obligations under the EPA Consent Decree.

Future compliance with the EPA Consent Decree may involve capital costs that exceed those currently anticipated by the County. See "RISK FACTORS – Additional Capital Improvements" herein for a description of certain risks relating to the County's ability to fund such additional capital costs.

Additional Capital Improvements

In order to maintain the operations of the System over the term of the Warrants, the County will have to pay the costs of capital improvements to the System. As part of its capital improvement program for the System for the fiscal years ending September 30, 2013 through September 30, 2023, the County plans to spend approximately \$840,500,000 for capital improvements to the System (including capital projects required by the EPA Consent Decree). Based on the assumptions set forth in the Feasibility Study attached as Appendix E hereto, the County expects to pay for these capital projects with funds on hand and reserved for this purpose and from ongoing System operations, and the County does not anticipate the issuance of any additional debt to finance these capital projects. The exact source of funds to pay for capital improvements thereafter, and to pay capital costs exceeding those anticipated for the period ending September 30, 2023, is not presently known. Such funds for capital requirements beyond September 30, 2023, and for capital costs exceeding those anticipated through September 30, 2023, may be generated from annual cash flow from operations, additional increases in rates above the increases contemplated in the Approved Rate Structure, future borrowings (including, without limitation, issuance of additional Secured Obligations), or a combination of these sources. In addition, debt service on the Warrants is expected to increase after September 30, 2023. The shortfall between total capital requirements and funds available to pay capital costs may be substantial. The Feasibility Study does not address the period after September 30, 2023, but the County believes this capital expenditure shortfall could total more than \$1.2 billion over the remaining term of the Warrants. It is not certain that the County will be able to increase rates and/or access capital markets to borrow such funds or satisfy the requirements in the Indenture to issue additional Secured Obligations at the time such improvements are required to be financed or made. See "Limits on Future Borrowing" and "Rate Covenant and Limits on Future Rate Increases" under "RISK FACTORS" herein.

Limits on Future Borrowing

In certain instances as described herein, the County may be required to provide funds to pay the costs of capital improvements to the System. If the System does not generate sufficient revenues to pay for such capital improvements, if reserve funds set aside for capital projects are not available for this purpose and if the County does not allow other available funds, if any, to be used for this purpose, which the County is not legally obligated to do, the County will have to borrow the funds. While the Warrants are outstanding, the County can only issue additional Senior Lien Obligations as Senior Lien Reserve Fund Warrants or to refinance existing Senior Lien Obligations. In order to issue additional Subordinate Lien Obligations, the County is required to satisfy certain conditions, including three coverage tests, as described in greater detail above in "SECURITY FOR PAYMENT OF THE WARRANTS; ADDITIONAL SECURED OBLIGATIONS – Additional Secured Obligations." To satisfy these conditions, the County may have to increase rates above the rate increases contemplated in the Approved Rate Structure. See "RISK FACTORS – Rate Covenant and Limits on Future Rate Increases" herein for a description of certain risks relating to the County's ability to increase rates in the future.

It cannot be determined at this time whether the County will be able to satisfy the requirements for the issuance of additional Secured Obligations, and no assurance can be given that the County will be able to satisfy such requirements for a considerable period of time. If the County is able to satisfy these requirements, it is not possible to predict what terms such additional debt may contain or whether there will be a market for such additional debt. Likewise, if the County cannot satisfy the requirements for the issuance of additional Secured Obligations or if the County qualifies to issue additional Secured Obligations but is unable, due to market conditions or otherwise, to obtain funds through the issuance of additional Secured Obligations, no assurance can be given that the County will be able to obtain needed funds through the issuance of Unsecured Obligations.

Technology and Other Service Providers

Some of the Warrants have a stated maturity of 40 years. Over this period of time, it is possible that advances in technology, including alternate methods for the treatment or disposition of sewage and increases in efficiency of appliances, could result in decreased demand or usage of, and/or charges from, the System. It is also possible that technological advances or the result of further directives by the EPA to upgrade System technology could increase competition by other competing public or private sewage disposal systems. The result of such technological advances could be to reduce revenues of the System and such reduction could materially and adversely impact the financial operations of the System and the ability of the County to pay Debt Service on the Warrants in a timely manner. It is impossible to predict the impact of technological advances or their effect on the financial health of the System.

It is also possible that, in addition to on-site (septic) systems currently in place, other public and private sewer service providers ("Other Service Providers") may operate treatment and disposal systems in close proximity to the System's existing service area. Indeed, there are several Other Service Providers currently operating within the County, including Phoenix Water Resources, the James Hill WWTP (operated by Southwest Water Company), and the Town of Lake View. The potential exists for these or other Other Service Providers, whether new or existing, to capture potential growth areas within or near the System's service area, thus limiting the System's ability to add users and associated additional future revenues. In the recent past, some municipalities in the County, the Jefferson County Health Department, and ADEM have permitted operation of facilities owned by these service providers, despite objections by the County, and it is unknown whether that trend will continue. The County cannot predict the effect Other Service Providers may have on the financial health of the System; however, the conclusions reached in the Feasibility Study do not assume any increases in the number of accounts serviced by the System during the Feasibility Study Forecasts Period. Moreover, Alabama law permits the County to require owners of property to connect to the System other than (i) owners of property served by another sewer system as of the date the System has operational lines adjacent to such property, (ii) property served by a septic tank as of the time of the prospective connection date, or (iii) any building served by the System is located on property of such owner at a distance greater than 200 feet from the collector line of the System. On November 6, 2012 the County adopted an administrative ordinance prohibiting any person, firm or entity owning or occupying any home, mobile home, commercial building or industry currently connected to the System from disconnecting from the System for the purposes of connection to an alternate waste treatment system.

Lack of Liquidity for the Warrants

The County has been informed by the Underwriters that they may make a market in the Warrants after the completion of this offering; however, the Underwriters are not required to make a market in the Warrants, and they may cease market-making at any time, for any reason, without notice. The County cannot assure potential investors that an active secondary market for the Warrants will exist. Moreover, even if an active secondary market for the Warrants does exist, depending on prevailing interest rates and market conditions generally, the Warrants could trade at a discount from their initial offering price. Holders of the Warrants may not be able to sell their Warrants in the future or such sale may not be at a price equal to or greater than the initial offering price of the Warrants. As a result, holders of the Warrants may not be able to liquidate their investment quickly, at an attractive price or at all.

Appeal of Confirmation Order

An appeal of the Confirmation Order (whether prior or subsequent to the issuance and delivery of the Warrants) could result in changes to the Plan of Adjustment or the Approved Rate Structure. As to the latter, see "Post-Confirmation Challenges to, or Non-Compliance with, the Approved Rate Structure" above. No prediction can be made as to whether the Confirmation Order will be appealed under these circumstances or, if appealed, as to the effects of any appeal. It is a condition to the Underwriters purchasing and accepting delivery of the Warrants that the Confirmation Order has been issued by the Bankruptcy Court and has not been stayed pending appeal. It is not a condition, however, to such purchase and acceptance that there be no appeal pending at the time of settlement and delivery of the Warrants.

Ratings

There is no assurance that the ratings assigned to the Warrants at the time of issuance (see "RATINGS" herein) will not be lowered or withdrawn at any time, the effect of which could adversely affect the market price for and marketability of the Warrants.

Bond Insurance Risk Factors

In the event of default of the payment of principal or interest with respect to the Insured Series 2013 Warrants when all or some becomes due, any owner of the Insured Series 2013 Warrants shall have a claim under the Series 2013 Insurance Policy for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Series 2013 Insurance Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Insured Series 2013 Warrants by the County which is recovered by the County from the Holder as a voidable preference under applicable bankruptcy law is covered by the insurance policy; however, such payments will be made by the Series 2013 Insurer at such time and in such amounts as would have been due absent such prepayment by the County unless the Series 2013 Insurer chooses to pay such amounts at an earlier date.

Under most circumstances, default of payment of principal and interest does not obligate acceleration of the obligations of the Series 2013 Insurer without appropriate consent. Under the Indenture, the Series 2013 Insurer shall be deemed to be the sole holder of the Insured Series 2013 Warrants for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Insured Series 2013 Warrants are entitled to take pursuant to the Indenture.

In the event the Series 2013 Insurer is unable to make payment of principal and interest as such payments become due under the Series 2013 Insurance Policy, the Insured Series 2013 Warrants are payable solely from the moneys received pursuant to the Indenture. In the event the Series 2013 Insurer becomes obligated to make payments with respect to the Insured Series 2013 Warrants, no assurance is given that such event will not adversely affect the market price of the Insured Series 2013 Warrants or the marketability (liquidity) for the Insured Series 2013 Warrants.

The long-term ratings on the Insured Series 2013 Warrants are dependent in part on the financial strength of the Series 2013 Insurer and its claims paying ability. The Series 2013 Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Series 2013 Insurer and of the ratings on the Insured Series 2013 Warrants insured by the Series 2013 Insurer will not be subject to downgrade and such event could adversely affect the market price of the Insured Series 2013 Warrants or the marketability (liquidity) for the Insured Series 2013 Warrants. See "RATINGS" herein.

The obligations of the Series 2013 Insurer are contractual obligations and in an event of default by the Series 2013 Insurer, the remedies available may be limited by applicable bankruptcy law or state law related to insolvency of insurance companies.

Neither the County nor the Underwriters have made independent investigation into the claims paying ability of the Series 2013 Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Series 2013 Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the County to pay principal and interest on the Insured Series 2013 Warrants and the claims paying ability of the Series 2013 Insurer, particularly over the life of the investment. See "CERTAIN PROVISIONS RESPECTING THE WARRANTS – Municipal Bond Insurance" herein for further information provided by the Series 2013 Insurer and the Series 2013 Insurance Policy, which includes further instructions for obtaining current financial information concerning the Series 2013 Insurer.

Tax-Exempt Status of Warrants

It is expected that the Warrants will qualify as tax-exempt obligations for federal income tax purposes as of the date of issuance. See "TAX STATUS" herein. Bond counsel is delivering its opinion with respect to certain aspects of the tax status of the Warrants, the form of which is attached to this Official Statement as Appendix J and should be read in its entirety for a complete understanding of the scope of the opinion and the conclusions expressed. A legal opinion is only the expression of professional judgment and does not constitute a guaranty with respect to the matters covered. In addition, the opinion of bond counsel speaks only as of its date, and bond counsel does not undertake to advise bondholders about subsequent developments.

The tax status of the Warrants could be affected by post-issuance events. Various requirements of the Internal Revenue Code must be observed or satisfied after the issuance of the Warrants in order for such interest to remain excludable from gross income of the holders thereof. These requirements include restrictions on use of the proceeds of the Warrants, use of the facilities financed by the Warrants, investment of proceeds of the Warrants, and the rebate of so-called excess arbitrage earnings. Compliance with these requirements is the responsibility of the County. Failure to comply could result in the inclusion of interest on the Warrants in gross income retroactive to the date of issuance of the Warrants.

The Internal Revenue Service conducts an audit program to examine compliance with the requirements applicable to tax-exempt obligations. If the Warrants become the subject of an audit, under current IRS procedures, the County would be treated as the taxpayer in the initial stages of an audit, and the owners of the Warrants would have limited rights to participate in the audit process. The initiation of an audit with respect to the Warrants could adversely affect the market value and liquidity of the Warrants, even though no final determination about the tax-exempt status would have been made. If an audit were to result in a final determination that the Warrants do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Warrants.

In addition to post-issuance compliance, a change in law after the date of issuance of the Warrants could affect the tax-exempt status of the Warrants or the economic benefit of investing in the Warrants. For example, Congress could eliminate the exemption for interest on the Warrants, or it could reduce or eliminate the federal income tax, or it could adopt a so-called "flat tax". See "RISK FACTORS – Future Legislation Could Affect Tax-Exempt Bonds" below.

The Indenture does not provide for mandatory redemption of the Warrants or payment of any additional interest or penalty if a determination is made that the Warrants do not comply with the existing requirements of the Internal Revenue Code or if a subsequent change in law adversely affects the tax-exempt status of the Warrants or the economic benefit of investing in the Warrants.

Future Legislation Could Affect Tax-Exempt Obligations

The federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws.

The exemption for interest on tax-exempt obligations is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would completely eliminate the exemption for interest on all tax-exempt obligations. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on all tax-exempt obligations. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption.

For example, on September 12, 2011, the Obama Administration announced a legislative proposal entitled the American Jobs Act of 2011 (the "Act"). The Act was introduced and defeated in the U.S. Senate during October 2011. For tax years beginning on or after January 1, 2013, the Act, if enacted, would have subjected interest on tax-exempt obligations (including the Warrants) to federal income tax for taxpayers with incomes above certain thresholds. The Obama Administration has stated publicly that it intends to reintroduce various provisions of the Act. It is uncertain at this time whether the provisions herein described will be reintroduced, but if so, such provisions, as well as other legislative proposals, if enacted into law, could prevent the holders of the Warrants from

realizing the full benefit of the tax status of interest on the Warrants under current federal tax law. The introduction or enactment of any such legislative proposal may also affect the market price for, or the marketability of, the Warrants.

Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt obligations already outstanding, including the Warrants offered pursuant to this Official Statement, as well as obligations issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the Warrants. Investors should consult their own tax advisers about the prospects and possible results of future legislation that could affect the exemption for interest on tax-exempt obligations.

LITIGATION AND OTHER MATTERS

General

Several objections have been filed to confirmation of the Plan of Adjustment. Two of those objections were filed by groups of alleged customers and ratepayers of the System (collectively, the "Ratepayer Objections"), including one filed by, among others, the County's Assistant Tax Assessor, Andrew Bennett, serving the "Bessemer Cutoff" division of the County. The Ratepayer Objections oppose confirmation of the Plan of Adjustment and its proposed validation of both the Approved Rate Structure and the issuance of the Warrants. The Ratepayer Objections contend, among other things, that (1) the County failed to give due and proper notice to sewer customers and ratepayers of the terms and conditions of the Plan of Adjustment and of the confirmation hearing, (2) the Plan of Adjustment violates Alabama law with respect to the issuance of the Warrants and the validation and approval of the Approved Rate Structure, (3) the Plan of Adjustment unlawfully removes ratemaking authority for the System from future Commissions, (4) the Plan impermissibly extends the maturity of the System's indebtedness beyond 40 years from the date of the initial issuance of such indebtedness, (5) the Plan of Adjustment violates Rule G-23 of the Municipal Securities Rulemaking Board by virtue of the County's selection of Citigroup Global Markets Inc. ("Citigroup") as managing underwriter for the Warrants, and (6) the Plan of Adjustment improperly classifies certain claims relating to the System. The Bankruptcy Court will consider the Ratepayer Objections and all other objections to the Plan of Adjustment at the confirmation hearing (presently scheduled for November 20, 2013 as more particularly described in the section entitled "THE PLAN OF ADJUSTMENT"). The County does not consider the Ratepayer Objections or any of the other confirmation objections to be well-founded, and will maintain at the confirmation hearing that the Plan of Adjustment should be confirmed and all such confirmation objections overruled by the Bankruptcy Court.

If and when the Plan of Adjustment is confirmed, it is possible that one or more of the parties opposing confirmation could appeal the Bankruptcy Court's Confirmation Order. At least one media report has stated that the lawyers who filed one of the Ratepayer Objections are "already investigating the possibility of an appeal should their objections" be overruled. The appeal of the Confirmation Order would not preclude the County from proceeding with consummation of its Confirmed Plan of Adjustment (upon expiration of any stay thereof under Rule 3020(e) of the Federal Rules of Bankruptcy Procedure), unless the appellant obtained a stay of the Confirmation Order pending the resolution of the appeal. Rule 3020(e) generally provides that an order confirming a chapter 9 plan is stayed until the expiration of fourteen (14) days after the entry of the order, unless the court orders otherwise. The County intends to request that the Bankruptcy Court provide in the Confirmation Order that the fourteen-day stay of Rule 3020(e) shall not be applicable with respect to the Confirmation Order.

In an Adversary Proceeding in the Bankruptcy Case, one of the groups of alleged ratepayers referenced above has sought a declaratory judgment that the Sixth, Ninth, and Tenth Supplemental Indentures executed by the County and the Indenture Trustee, and the warrants issued pursuant to such Supplemental Indentures, violated Section 10.2 of the Original Indenture, the Alabama Constitution, and the United States Constitution, and are thus void and unenforceable. *See Andrew Bennett et al. v. Jefferson County, Ala. et al.*, United States Bankruptcy Court for the Northern District of Alabama, Adversary No. 12-00120, Case No. 11-05736-TBB9 (the "Bennett Lawsuit"). Another of the groups of alleged ratepayers referenced above seeks a determination that the Alabama statute pursuant to which the sewer warrants were issued, Ala. Code 11-28-1 *et seq.*, is unconstitutional, and that for this reason and the alleged conduct of the defendants to that litigation, including several former County Commissioners, the sewer warrants should be "rescinded" and declared null and void. *See*

Charles E. Wilson et al. v. JPMorgan Chase & Co. et al., Circuit Court of Jefferson County, Ala., Case No. CV-2008-901907, and *Charles E. Wilson et al. v. JPMorgan Chase & Co. et al.*, United States Bankruptcy Court for the Northern District of Alabama, Adversary Proceeding No. 11-0433-TBB (together, the "Wilson Lawsuit").

The Plan of Adjustment provides for the settlement and release upon the Effective Date of all claims and causes of action asserted by the plaintiffs in these two lawsuits, and it is an express condition to the effectiveness of the Plan that the settlement and release of both the Bennett Lawsuit and the Wilson Lawsuit shall have been approved by the Confirmation Order. The Plan further provides that, from and after the Effective Date, any Person seeking to exercise the rights of the County (including in respect of the claims and causes of action asserted in the Bennett Lawsuit and the Wilson Lawsuit) and all persons acting or purporting to act on behalf of the County (or any other persons) holding any Sewer Released Claims (as such term is defined in the Plan of Adjustment) that are waived and released pursuant to Plan, 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.

Except as set forth above, there is no litigation pending or, to the knowledge of the County, threatened, attacking or questioning the validity of the Warrants or the issuance and sale thereof, and there is no litigation pending or, to the knowledge of the County, threatened, relating to the organization or boundaries of the County or the incumbency of any of its officers or officials. Simultaneously with the delivery of the Warrants, the County will deliver a certificate to the effect that no such litigation is pending or, to the knowledge of the County, threatened, except with respect to the litigation described above.

The County is a defendant in various lawsuits, and there are various other claims pending or threatened against the County with respect to which lawsuits may be filed, including several under Section 1983 of Title 42 of the United States Code. The County does not, on account of availability, costs and coverages offered, carry any general or professional liability insurance. Except as stated below, the maximum probable liability of the County with respect to all the lawsuits and claims that are pending or threatened against the County, taken together, will not have a material adverse effect on the financial condition of the County.

Court decisions have substantially eroded the immunity from tort liability formerly enjoyed by local governmental units in Alabama. However, Chapter 93 of Title 11 of the Alabama Code now prescribes certain maximum limits on the liability of local governmental units (such as the County) for bodily injury, sickness, disease or death sustained by a person and for injury or destruction of tangible property. These limits are presently \$100,000 in the case of bodily injury or death of one person in any single occurrence, \$300,000 in aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence, and \$100,000 in the case of property damage arising out of a single occurrence. Applicable decisions of the Supreme Court of Alabama have upheld the constitutionality of Chapter 93 (although indicating that there is no statutory "aggregate limit" with respect to property damage arising out of a single occurrence comparable to that specified for personal injury or death claims) and have limited the applicability of Chapter 93 to causes of action arising after its effective date, May 23, 1977. While the matter may not be free from doubt, it should be assumed that the liability limitations of Chapter 93 are not applicable to causes of action under Section 1983 of Title 42 of the United States Code.

Jefferson County Employment Discrimination Receiver – *United States v. Jefferson County, et al.*

In 1975, various private plaintiffs and the United States filed suit against the Jefferson County Personnel Board, a human resources organization established by the Alabama Legislature in 1935 to administer the civil service, or merit, system for the County and certain other municipalities within the County (as hereinafter described and defined in Appendix H hereto as the "Personnel Board") and other defendants, including Jefferson County, to remedy alleged wrongs in the hiring and promotion of African-American and female applicants and employees. After considerable negotiations, litigation, and appeals, the County entered into a consent decree on December 29, 1982. This decree, along with other consent decrees executed by other parties (collectively, the "Hiring Practices Consent Decree"), remained the subject of further litigation and negotiations, including, in 2002, the federal district court appointing a receiver for the Personnel Board.

On October 3, 2007, two groups of plaintiffs claimed that the County had failed to comply with the Hiring Practices Consent Decree's requirements to ensure equal employment for African-Americans and women and to remedy the effects of prior discrimination. The plaintiffs also alleged that the County failed to comply with

Hiring Practices Consent Decree requirements regarding hiring specific compliance officers and recordkeeping. The plaintiffs sought to hold the County in contempt and sought to modify the Hiring Practices Consent Decree to mandate particular practices that the plaintiffs would like to see implemented.

Trial began on March 30, 2009, but was recessed because of the health of the United States District Judge hearing the case. On January 27, 2012, the Bankruptcy Court found that the automatic stays did not apply to the portions of this lawsuit that concern the County. The bench trial resumed on December 3, 2012, and the United States District Court for the Northern District of Alabama (the "U.S. District Court") entered its Memorandum Opinion and Order on August 20, 2013 (the "Employment Discrimination Order"). See *United States v. Jefferson County, et al.*, United States District Court for the Northern District of Alabama, Southern Division, Case No. 2:75-cv-00666-CLS.

Under the Employment Discrimination Order, the U.S. District Court agreed with the plaintiffs and held the County in contempt of the Hiring Practices Consent Decree. The U.S. District Court indicated that it would appoint a receiver and ordered, among other things, the parties to meet and confer regarding the candidates to serve as receiver; the extent of the receiver's duties; the powers to be conferred on the receiver to select, hire, promote, demote, discipline, or fire employees; the receiver's compensation, the receiver's support staff and personnel; office space for the receiver and his or her support personnel; the authority of the receiver to select, retain, and compensate outside consultants to assist in devising valid, non-discriminatory, selection procedures that either have no adverse impact on the basis of race or gender, or that are "job related" as the term is used in Title VII jurisprudence.

On October 25, 2013, the U.S. District Court entered an order appointing Dr. Ronald R. Sims from the College of William and Mary in Williamsburg, Virginia as the receiver (the "Employment Discrimination Receiver") over the County's Human Resources Department and the County's employment practices, including hiring, promotion, discipline, and termination. See Appendix G – "INFORMATION RESPECTING JEFFERSON COUNTY, ALABAMA – County Employees and County Employment Decisions" for additional information concerning the Employment Discrimination Receiver and the County's hiring process.

The Court's Order contemplates the Employment Discrimination Receiver's duties and obligations be substantially completed in three years or less. Pursuant to the Employment Discrimination Order, the County may challenge any actions proposed or taken by the Employment Discrimination Receiver if the County in good faith believes such actions materially interfere with the functions of the County.

At this time there is insufficient information to determine what effect, if any, this receivership will have upon the County, the Warrants and other obligations of the County. However, it is likely that the County will incur material costs and administrative obligations following appointment of the Employment Discrimination Receiver, which may be chargeable as direct or indirect operating expenses of the System. Examples of such costs include attorneys' fees and the costs of retaining consultants to implement employment policies and procedures. Personnel determinations by the Employment Discrimination Receiver could have a material adverse impact on the retention of existing personnel and the criteria utilized in hiring and/or promoting human resources within the County including, without limitation, within the Environmental Services Department, which operates and administers the System.

Other Matters

The following cases – *CSX Transportation v. Jefferson County*, case number CV-10-1490; and *BNSF v. Jefferson County*, case number 10-903065 – were filed in the Circuit Court of Jefferson County, Alabama, Birmingham Division. These cases seek a refund of sales taxes that were paid on the retail sale of diesel fuel. These cases were stayed by operation of the Bankruptcy Case and by the trial court pending the outcome of companion litigation filed against the State in federal court. In the federal action, the Eleventh Circuit Court of Appeals recently held that the disputed tax violated the Railroad Revitalization and Regulation Reform Act of 1976, 49 U.S.C. § 11501(b)(4). The court reversed the lower court's decision to dismiss the case and instead directed that the lower court enter the injunctive and declaratory relief sought by the plaintiff, CSX Transportation. Both CSX and BNSF have filed proofs of claims in the Bankruptcy Case arising from the same tax refund claims asserted in the state court lawsuits. With respect to such proofs of claim, there is potential for an adverse outcome to the County whereby the claims asserted by CSX and BNSF for the refund of sales taxes may be allowed. For part of the time for which the plaintiffs claim the right to a refund, the plaintiffs have paid the disputed sales taxes into escrow. The

plaintiffs either have or will receive the money held in such escrow. For the time period before the escrow, the plaintiffs' proofs of claim assert a right to a refund from the County. Exclusive of the escrow, the amount of the refund claims could exceed \$3,500,000. The plaintiffs in these cases have conceded that their refund claims against the County (except for the funds held in escrow) are general unsecured claims in the County's Bankruptcy Case. As more particularly described in Appendix H hereto, under the County's Plan of Adjustment, and subject to the approval of that plan, the County's liability for all general unsecured claims is capped at \$5,000,000 in the aggregate.

TAX STATUS

Under existing law, the tax status of the Warrants will include the following characteristics:

Federal Tax-Exempt Status. Interest on the Warrants will be excluded from gross income for federal income tax purposes if the County complies with all requirements of the Internal Revenue Code of 1986 (the "Internal Revenue Code") that must be satisfied subsequent to the issuance of the Warrants in order that interest thereon be and remain excluded from gross income. Failure to comply with such requirements could cause the interest on the Warrants to be included in gross income, retroactive to the date of issuance of the Warrants. The County has covenanted to comply with all such requirements.

Federal Tax Preference Treatment. Interest on the Warrants will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest will be taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations.

State Tax-Exempt Status. Interest on the Warrants will be exempt from State of Alabama income taxation.

Certain Collateral Federal Tax Consequences. Prospective purchasers of the Warrants should be aware that the ownership of the Warrants may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty and life insurance companies, individual recipients of Social Security or railroad retirement benefits, certain S corporations with "excessive net passive income," foreign corporations subject to a branch profits tax, other foreign persons and organizations, life insurance companies, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry the Warrants. Prospective purchasers of the Warrants should consult their tax advisors as to whether the collateral tax consequences described in this paragraph or other tax consequences may be applicable to their financial situation.

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

Under Section 1288 of the Internal Revenue Code, original issue discount on tax-exempt obligations accrues on a compound basis. The amount of original issue discount that accrues to an owner of a tax-exempt obligation during any accrual period generally equals (i) the issue price of such obligation plus the amount of original issue discount accrued in all prior accrual periods, *multiplied by* (ii) the yield to maturity of such obligation (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period), *minus* (iii) any interest payable on such obligation during such accrual period. The amount of original issue discount so accrued in a particular accrual period will be considered to be received ratably on each day of the accrual period, will be excluded from gross income for federal income tax purposes, and will increase the owner's tax basis in such obligation. Purchasers of any Warrant at an original issue discount should consult their tax advisers regarding the determination and treatment of original issue discount for federal income tax purposes, and with respect to state and local tax consequences of owning a Warrant.

Premium. An amount equal to the excess of the purchase price of a tax-exempt obligation over its stated redemption price at maturity constitutes premium on such obligation. A purchaser of a tax-exempt obligation must amortize any premium over such obligation's term using constant yield principles, based on the obligation's yield to maturity. As premium is amortized, the purchaser's basis in such obligation and the amount of tax-exempt

interest received will be reduced by the amount of amortizable premium properly allocable to such purchaser. This will result in an increase in the gain (or decrease in the loss) to be recognized for federal income tax purposes on sale or disposition of such obligation prior to its maturity. Even though the purchaser's basis is reduced, no federal income tax deduction is allowed. Purchasers of any Warrant at a premium, whether at the time of initial issuance or subsequent thereto, should consult with their own tax advisors with respect to the determination and treatment of premium for federal income tax purposes, and with respect to state and local tax consequences of owning a Warrant.

Information Reporting and Backup. In addition to other types of income, information reporting requirements apply to interest on tax-exempt obligations, including the Warrants. In general, such requirements are satisfied if the recipient of payments of interest provides the payor with a completed IRS Form W-9, "Request for Taxpayer Identification Number and Certification," or if such recipient is one of a limited class of persons exempt from information reporting. Foreign persons and organizations and other non-U.S. holders may be asked or required to provide an appropriate completed IRS Form W-8 in lieu of Form W-9 in order to establish their U.S. tax status. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from each interest payment received, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient, such as a broker-dealer or bank.

If a prospective purchaser considering buying a Warrant through a brokerage account has executed a Form W-9 (or Form W-8 where appropriate) in connection with the establishment of such account, as generally can be expected, no backup withholding should occur, unless such prospective purchaser is for another reason, subject to backup withholding. Whether or not a prospective purchaser is subject to backup withholding does not affect the exclusion of interest on the Warrants from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's Federal income tax once the required information is furnished to the Internal Revenue Service. Prospective purchasers of the Warrants should consult their tax advisors as to whether backup withholding may be applicable to their financial situation.

The foregoing discussion does not address the effects of any applicable federal income, state, local or foreign tax laws other than those specifically discussed above. Prospective purchasers are urged to consult their own tax adviser concerning the federal income tax consequences of owning and disposing of the Warrants, as well as any consequences under the laws of any state, local or foreign taxing jurisdiction.

See "RISK FACTORS – Tax-Exempt Status of the Warrants" and "RISK FACTORS – Future Legislation Could Affect Tax-Exempt Obligations" herein for a discussion of certain risk factors relating to investment in the Warrants.

CONTINUING DISCLOSURE

Upon issuance of the Warrants, the County will enter into a Disclosure Dissemination Agent Agreement (the "Continuing Disclosure Agreement") with Digital Assurance Certification, L.L.C. ("DAC"), pursuant to which the County is covenanting for the benefit of the beneficial owners of the Warrants to provide annually certain financial information and operating data relating to the County (the "Annual Reports"), and to provide notices of certain enumerated events, through the Electronic Municipal Market Access ("EMMA") system established by the Municipal Securities Rulemaking Board (the "MSRB") (or such other system as may be subsequently authorized by the MSRB). The form of Continuing Disclosure Agreement is attached as Appendix I hereto. A failure by the County to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission of the United States of America and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Warrants in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Warrants and their market price.

Certain of the Sewer Warrants heretofore issued by the County are insured by bond insurance companies and are credit enhanced by financial institutions. The ratings on those bond insurance companies and financial institutions have been downgraded at various times over the past several years. Information about the downgrades was publicly reported. The County may not have timely filed a notice under the Rule with respect to each such downgrade.

Over the past five (5) years, the County has not timely filed its audited financial statements as required by various continuing disclosure agreements executed in connection with certain of its Sewer Warrants (generally, six months following the end of each fiscal year), and has not fully complied with its prior continuing disclosure agreement obligations to file other annual financial information and operating data.

In July 2012, the County hired a new Chief Financial Officer who implemented administrative changes to improve the timeliness of the County's audit process. By way of example, the Chief Financial Officer conducts meetings at least monthly with the County's chief external auditor to review the status of the County's financials and yearly audit process. Additionally, over the past few years the County has utilized bond counsel to assist the County in filing numerous material event and other notices on EMMA. In light of its focus on the production of timely financial information and its recent experience working with bond counsel to make timely filings on EMMA, the County does not anticipate experiencing issues meeting the timing deadlines under its Continuing Disclosure Agreement.

RATINGS

Standard and Poor's Ratings Services ("S&P") and Fitch Ratings ("Fitch") have assigned underlying ratings of "_____" and "_____" respectively, to the Series 2013 Senior Lien Obligations, and S&P is expected to assign a rating of "AA- (stable outlook)" to the Insured Series 2013 Warrants with the understanding that, upon the delivery of the Insured Series 2013 Warrants, the Series 2013 Insurance Policy will be issued by the Series 2013 Insurer. S&P and Fitch have assigned underlying ratings of "_____" and "_____" respectively, to the Series 2013 Subordinate Lien Obligations.

Such credit ratings reflect only the view of such credit rating agencies, and an explanation of the significance of such credit ratings may be obtained only from the credit rating agencies furnishing the same. There is no assurance that such credit ratings will remain in effect for any given period of time or may not be lowered or withdrawn entirely if, in the judgment of the credit rating agency in question, circumstances should warrant such action. Any such downward revision or withdrawal of any credit rating assigned to any of the Warrants may have an adverse effect on the market price of such Warrants or any other Warrants. Neither the County nor the Underwriters are undertaking any responsibility after the issuance of the Warrants to assure maintenance of the ratings or to oppose any such revision or withdrawal.

Due to the ongoing uncertainty regarding the economy of the United States of America, and the fact that S&P and, more recently, Fitch, have indicated possible additional downgrades of the United States of America, obligations issued by state and local governments within the United States of America, such as the Warrants, could be subject to a rating downgrade. Additionally, if a significant default or other financial crisis should occur in the affairs of the United States of America or of any of its agencies or political subdivisions, then such event could also adversely affect the market for and ratings, liquidity, and market value of outstanding debt obligations, including the Warrants.

APPROVAL OF LEGAL PROCEEDINGS

Legal matters incident to the authorization and issuance of the Warrants by the County are subject to the approval of Balch & Bingham LLP, Birmingham, Alabama, Bond Counsel to the County, whose approving opinions will be in substantially the forms attached as Appendix J hereto.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the County as of and for the fiscal year ended September 30, 2012, attached as Appendix K hereto, have been audited by Warren Averett, LLC, Independent Accountants, as set forth in their report dated October 7, 2013.

UNDERWRITING

The Series 2013 Senior Lien Obligations are being purchased by the Underwriters shown on the cover page of this Official Statement (collectively, the "Underwriters") at a price of \$_____ (which price reflects an underwriting discount of \$_____ plus net original issue premium of \$_____). The Series 2013 Senior Lien Obligations may be sold and offered to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriters.

The Series 2013 Subordinate Lien Obligations are being purchased by the Underwriters at a price of \$_____ (which price reflects an underwriting discount of \$_____ plus net original issue premium of \$_____). The Series 2013 Subordinate Lien Obligations may be sold and offered to certain dealers (including dealers depositing such bonds into investment trusts) at prices lower than such public offering prices, and such public offering prices may be changed from time to time by the Underwriters.

Citigroup is serving as representative of the Underwriters. Citigroup has entered into an agreement (the "Distribution Agreement") with TMC Bonds L.L.C. ("TMC") for the distribution to retail investors of certain municipal securities offerings. In connection with the Distribution Agreement, TMC has established an electronic primary offering application through which certain broker-dealers and municipal securities dealers approved by Citigroup and TMC (each an "Approved Party") can submit orders for, and receive allocations of, new issue municipal securities for retail investors, and Citigroup may share with TMC a portion of its underwriting compensation, which TMC may share with each Approved Party, with respect to Warrants that are allocated to such retail orders. Any such sharing will not affect the aggregate underwriting compensation set forth above or Citigroup's share of such compensation. Citigroup Financial Products, Inc., Citigroup's parent company, owns a 31.35% equity interest in TheDebtCenter L.L.C., the parent company of TMC.

Loop Capital has entered into distribution agreements (each a "Distribution Agreement") with each of UBS Financial Services Inc. ("UBSFS") and Deutsche Bank Securities Inc. ("DBS") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Distribution Agreement (if applicable to this transaction), each of UBSFS and DBS will purchase Warrants from Loop Capital at the original issue prices less a negotiated portion of the selling concession applicable to any Warrants that such firm sells.

Morgan Stanley, parent company of Morgan Stanley & Co. LLC, an underwriter of the Warrants, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Warrants.

It is a condition to the Underwriters purchasing and accepting delivery of the Warrants that the Confirmation Order has been issued by the Bankruptcy Court and has not been stayed pending appeal. It is not a condition, however, to such purchase and acceptance that there be no appeal pending at the time of settlement and delivery of the Warrants.

CERTAIN RELATIONSHIPS

Citigroup presently holds outstanding Sewer Warrants (the "Citigroup Sewer Revenue Warrants"), and is a party to a Plan Support Agreement. Pursuant to the Plan Support Agreements, proceeds from the Warrants will be used to purchase and retire the Citigroup Sewer Revenue Warrants.

FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. of New York, New York, has served as financial advisor to the County in connection with the issuance of the Warrants.

MISCELLANEOUS

This Official Statement has been authorized and approved by the County. The summaries and descriptions of provisions of the Indenture and all references to other materials not purporting to be quoted in full are qualified in their entirety by reference to the complete provisions of the documents and other materials summarized or described.

So far as any statements made in this Official Statement involve matters of opinion, forecasts or estimates, whether or not expressly stated, they are set forth as such and not as representations of fact.

The Appendices are integral parts of this Official Statement and must be read together with all other parts of this Official Statement.

JEFFERSON COUNTY, ALABAMA

By _____
Jefferson County Commission President

Dated: _____, 2013

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX A
FORM OF INDENTURE

[THIS PAGE INTENTIONALLY LEFT BLANK]

TABLE OF CONTENTS

| | PAGE |
|---|-------------|
| Parties..... | 1 |
| Recitals..... | 1 |
| | |
| ARTICLE 1 Definitions and Other Provisions of General Application..... | 3 |
| SECTION 1.1 Definitions..... | 3 |
| SECTION 1.2 General Rules of Construction..... | 14 |
| SECTION 1.3 Effect of Action by Holders of Secured Obligations..... | 15 |
| SECTION 1.4 Effect of Headings and Table of Contents..... | 15 |
| SECTION 1.5 Date of Indenture..... | 15 |
| SECTION 1.6 Separability Clause..... | 15 |
| SECTION 1.7 Governing Law..... | 15 |
| SECTION 1.8 Counterparts..... | 16 |
| SECTION 1.9 Designation of Time for Performance..... | 16 |
| | |
| ARTICLE 2 Source of Payment..... | 16 |
| SECTION 2.1 Limited Source of Payment of Secured Obligations..... | 16 |
| SECTION 2.2 Officials, Officers and Employees of the Issuer Exempt from Individual Liability..... | 16 |
| | |
| ARTICLE 3 Security for Payment..... | 16 |
| SECTION 3.1 Pledge and Assignment..... | 16 |
| | |
| ARTICLE 4 Registration, Transfer, Exchange and Payment of the Warrants..... | 18 |
| SECTION 4.1 The Book Entry System for the Warrants..... | 18 |
| SECTION 4.2 Alternate Provisions Regarding Payment, Registration, Transfer and Exchange of Warrants 19 | 21 |
| SECTION 4.3 Persons Deemed Owners..... | 21 |
| SECTION 4.4 Trustee as Paying Agent and Registrar..... | 21 |
| SECTION 4.5 Payments Due on Non-Business Days..... | 21 |
| | |
| ARTICLE 5 Specific Terms for Warrants and Disposition of Proceeds..... | 21 |
| SECTION 5.1 Specific Title and Terms of Series 2013-A Warrants..... | 21 |
| SECTION 5.2 Specific Title and Terms of Series 2013-B Warrants..... | 23 |
| SECTION 5.3 Specific Title and Terms of Series 2013-C Warrants..... | 24 |
| SECTION 5.4 Specific Title and Terms of Series 2013-D Warrants..... | 26 |
| SECTION 5.5 Specific Title and Terms of Series 2013-E Warrants..... | 27 |
| SECTION 5.6 Specific Title and Terms of Series 2013-F Warrants..... | 28 |
| SECTION 5.7 Proceeds From Sale of Warrants..... | 30 |
| | |
| ARTICLE 6 Repurchases and Tenders..... | 31 |
| SECTION 6.1 No Optional Tender Rights for Holders..... | 31 |
| SECTION 6.2 Purchase or Tender for Cancellation..... | 31 |
| | |
| ARTICLE 7 Redemption of Warrants..... | 31 |
| SECTION 7.1 Redemption Provisions..... | 31 |
| SECTION 7.2 Mandatory Redemption..... | 34 |
| SECTION 7.3 Election to Redeem..... | 34 |
| SECTION 7.4 Selection by Trustee of Warrants to be Redeemed..... | 34 |
| SECTION 7.5 Notice of Redemption..... | 34 |
| SECTION 7.6 Deposit of Redemption Price..... | 35 |
| SECTION 7.7 Warrants Payable on Redemption Date..... | 35 |
| SECTION 7.8 Warrants Redeemed in Part..... | 35 |
| SECTION 7.9 Purchase of Callable Warrants in Lieu of Redemption..... | 35 |

TRUST INDENTURE

Dated December 1, 2013

Between

JEFFERSON COUNTY, ALABAMA

and

WELLS FARGO BANK, NATIONAL ASSOCIATION

Relating to the authorization and issuance of

[\$Amount] Senior Lien Sewer Revenue
Current Interest Warrants, Series 2013-A

[\$Amount] Senior Lien Sewer Revenue
Capital Appreciation Warrants, Series 2013-B

[\$Amount] Senior Lien Sewer Revenue
Convertible Capital Appreciation Warrants, Series 2013-C

[\$Amount] Subordinate Lien Sewer Revenue
Current Interest Warrants, Series 2013-D

[\$Amount] Subordinate Lien Sewer Revenue
Capital Appreciation Warrants, Series 2013-E

and

[\$Amount] Subordinate Lien Sewer Revenue
Convertible Capital Appreciation Warrants, Series 2013-F

by

Jefferson County, Alabama

| | |
|--|----|
| ARTICLE 8 Additional Secured Obligations..... | 36 |
| SECTION 8.1 Authorization of Additional Secured Obligations..... | 36 |
| SECTION 8.2 Conditions to Issuance of Additional Secured Obligations..... | 36 |
| SECTION 8.3 Effect of Issuance of Additional Secured Obligations..... | 39 |
| ARTICLE 9 Indenture Funds..... | 39 |
| SECTION 9.1 Revenue Fund..... | 39 |
| SECTION 9.2 Application of System Revenues..... | 39 |
| SECTION 9.3 Series 2013 Senior Lien Debt Service Fund..... | 41 |
| SECTION 9.4 Series 2013 Subordinate Lien Debt Service Fund..... | 42 |
| SECTION 9.5 Operating Account..... | 43 |
| SECTION 9.6 Series 2013 Senior Lien Reserve Fund..... | 43 |
| SECTION 9.7 Series 2013 Subordinate Lien Reserve Fund..... | 45 |
| SECTION 9.8 Capital Improvement Fund..... | 47 |
| SECTION 9.9 Costs of Issuance Fund..... | 48 |
| SECTION 9.10 Investment of Indenture Funds..... | 48 |
| SECTION 9.11 Application of Funds After Indenture Indebtedness Defeased..... | 49 |
| ARTICLE 10 Representations and Covenants..... | 49 |
| SECTION 10.1 General Representations..... | 49 |
| SECTION 10.2 Encumbrances on Trust Estate..... | 49 |
| SECTION 10.3 Payment of Secured Obligations..... | 49 |
| SECTION 10.4 Inspection of Records..... | 50 |
| SECTION 10.5 Advances by Trustee..... | 50 |
| SECTION 10.6 Transfer of System..... | 50 |
| SECTION 10.7 Compliance with the Tax Certificate and Agreement..... | 50 |
| SECTION 10.8 Covenants Regarding Ownership and Operation of the System..... | 50 |
| SECTION 10.9 Maintenance of Rates..... | 53 |
| ARTICLE 11 Defaults and Remedies..... | 54 |
| SECTION 11.1 Events of Default..... | 54 |
| SECTION 11.2 Remedies..... | 55 |
| SECTION 11.3 Application of Money Collected..... | 57 |
| SECTION 11.4 Trustee May Enforce Claims without Possession of Secured Obligations..... | 59 |
| SECTION 11.5 Limitation on Suits..... | 59 |
| SECTION 11.6 Unconditional Right of Holders of Secured Obligations to Payment..... | 60 |
| SECTION 11.7 Restoration of Positions..... | 60 |
| SECTION 11.8 Delay or Omission Not Waiver..... | 60 |
| SECTION 11.9 Control by Holders of Senior Lien Obligations..... | 60 |
| SECTION 11.10 Waiver of Past Defaults..... | 60 |
| SECTION 11.11 Suits to Protect the Trust Estate..... | 61 |
| ARTICLE 12 The Trustee..... | 61 |
| SECTION 12.1 Certain Duties and Responsibilities of Trustee..... | 61 |
| SECTION 12.2 Notice of Defaults..... | 62 |
| SECTION 12.3 Certain Rights of Trustee..... | 62 |
| SECTION 12.4 Trustee Not Responsible for Statements of Issuer..... | 63 |
| SECTION 12.5 May Hold Secured Obligations..... | 63 |
| SECTION 12.6 Money Held in Trust..... | 63 |
| SECTION 12.7 Compensation and Reimbursement..... | 63 |
| SECTION 12.8 Corporate Trustee Required; Eligibility..... | 64 |
| SECTION 12.9 Resignation and Removal; Appointment of Successor..... | 64 |
| SECTION 12.10 Acceptance of Appointment by Successor..... | 65 |
| SECTION 12.11 Merger, Conversion, Consolidation or Succession to Business..... | 65 |
| ARTICLE 13 Amendment of Secured Obligation Documents..... | 65 |

| | |
|---|--|
| SECTION 13.1 General Requirements for Amendments..... | 65 |
| SECTION 13.2 Amendments Without Consent of Holders of Secured Obligations..... | 66 |
| SECTION 13.3 Amendments Requiring Consent of All Affected Holders of Secured Obligations..... | 66 |
| SECTION 13.4 Amendments Requiring Majority Consent of Holders of Secured Obligations..... | 67 |
| SECTION 13.5 Discretion of Trustee..... | 67 |
| SECTION 13.6 Trustee Protected by Opinion of Counsel..... | 67 |
| SECTION 13.7 Amendments Affecting Trustee's Personal Rights..... | 67 |
| SECTION 13.8 Effect on Holders of Secured Obligations..... | 67 |
| SECTION 13.9 Reference in Secured Obligations to Amendments..... | 67 |
| SECTION 13.10 Amendments Not to Affect Tax Exemption..... | 68 |
| ARTICLE 14 Defeasance..... | 68 |
| SECTION 14.1 Payment of Indenture Indebtedness; Satisfaction and Discharge of Indenture..... | 68 |
| SECTION 14.2 Trust for Payment of Debt Service..... | 68 |
| ARTICLE 15 Provisions Relating to the Series 2013 Insurer..... | 69 |
| SECTION 15.1 Applicability of this Article..... | 69 |
| SECTION 15.2 Requirements of the Series 2013 Insurer..... | 70 |
| SECTION 15.3 Claims and Payments under the Series 2013 Insurance Policy..... | 71 |
| SECTION 15.4 Reporting Requirements to Series 2013 Insurer..... | 73 |
| SECTION 15.5 Maintenance of Ratio between Senior Lien Obligations and Subordinate Lien Obligations..... | 74 |
| SECTION 15.6 Additional Covenants of the Issuer..... | 74 |
| ARTICLE 16 Miscellaneous..... | 75 |
| SECTION 16.1 Notices to Financing Participants..... | 75 |
| SECTION 16.2 Notices to Holders of Warrants..... | 75 |
| SECTION 16.3 Successors and Assigns..... | 75 |
| SECTION 16.4 Benefits of Indenture..... | 75 |
| SECTION 16.5 Rights or Powers of Providers of Credit Enhancement..... | 76 |
| SECTION 16.6 Calculation of Percentage of Holders Taking Action..... | 76 |
| SECTION 16.7 Amounts Due and Unpaid After Act of Bankruptcy..... | 76 |
| EXHIBIT 5.1(c)..... | Form of Series 2013-A Warrants |
| EXHIBIT 5.2(c)..... | Form of Series 2013-B Warrants |
| EXHIBIT 5.2(e)..... | Schedule of Compound Accreted Value for Series 2013-B Warrants |
| EXHIBIT 5.3(c)..... | Form of Series 2013-C Warrants |
| EXHIBIT 5.3(e)..... | Schedule of Compound Accreted Value for Series 2013-C Warrants |
| EXHIBIT 5.4(c)..... | Form of Series 2013-D Warrants |
| EXHIBIT 5.5(c)..... | Form of Series 2013-E Warrants |
| EXHIBIT 5.5(e)..... | Schedule of Compound Accreted Value for Series 2013-E Warrants |
| EXHIBIT 5.6(c)..... | Form of Series 2013-F Warrants |
| EXHIBIT 5.6(e)..... | Schedule of Compound Accreted Value for Series 2013-F Warrants |
| EXHIBIT 9.2(b)..... | Requisition for Payments from Revenue Fund |
| EXHIBIT 9.6(g)..... | Series 2013 Senior Lien Reserve Fund Letter of Credit Reimbursement Order |
| EXHIBIT 9.7(g)..... | Series 2013 Subordinate Lien Reserve Fund Letter of Credit Reimbursement Order |
| EXHIBIT 9.8(c)..... | Requisition for Payments from Capital Improvement Fund |
| EXHIBIT 15.5..... | Schedule of Permitted Ratios of Senior Lien Obligations to Secured Obligations |
| EXHIBIT 16.1(b)..... | Directions for Notices |

TRUST INDENTURE

THIS TRUST INDENTURE, dated December 1, 2013 is entered into by **JEFFERSON COUNTY, ALABAMA**, a political subdivision of the State of Alabama (the "Issuer"), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association, as trustee (the "Trustee").

Recitals

The Issuer has duly authorized the issuance of its (i) [Amount] aggregate principal amount of Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A (the "Series 2013-A Warrants"), (ii) [Amount] aggregate principal amount of Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B (the "Series 2013-B Warrants"), (iii) [Amount] aggregate principal amount of Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C (the "Series 2013-C Warrants"), (iv) [Amount] aggregate principal amount of Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D (the "Series 2013-D Warrants"), (v) [Amount] aggregate principal amount of Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E (the "Series 2013-E Warrants"), and (vi) [Amount] aggregate principal amount of Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F (the "Series 2013-F Warrants", and together with the Series 2013-A Warrants, the Series 2013-B Warrants, the Series 2013-C Warrants, the Series 2013-D Warrants, and the Series 2013-E Warrants, the "Warrants") pursuant to this Indenture.

The Issuer owns and operates a sanitary sewer system (the "System") that currently serves customers in Jefferson County, Alabama and small portions of two adjacent counties. On November 9, 2011, the Issuer filed a petition for relief under Chapter 9 of Title 11 of the United States Code, thereby commencing Bankruptcy Case No. 11-05736-TBB9 (the "Bankruptcy Case") before the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court"). The Bankruptcy Court has confirmed the Issuer's plan of adjustment (the "Confirmed Plan of Adjustment"), a material component of which is the restructuring of the Issuer's financial obligations with respect to its System through the issuance of the Warrants pursuant to this Indenture.

Certain sewer revenue warrants of the Issuer are currently outstanding under that certain Trust Indenture dated as of February 1, 1997, as supplemented and amended (the "Retired Warrants Indenture"), between the Issuer and The Bank of New York Mellon Trust Company, N.A., in its capacity as successor trustee (the "Retired Warrants Trustee"). The seven series of warrants outstanding as of the date hereof under the Retired Warrants Indenture are as follows: (1) Sewer Revenue Warrants, Series 1997-A; (2) Sewer Revenue Capital Improvement Warrants, Series 2001-A; (3) Sewer Revenue Capital Improvement Warrants, Series 2002-A; (4) Sewer Revenue Warrants, Series 2002-C; (5) Sewer Revenue Warrant, Series 2003-A; (6) Sewer Revenue Warrants, Series 2003-B; and (7) Sewer Revenue Warrants, Series 2003-C (collectively, the "Retired Warrants").

The Warrants are being issued for the purpose of providing a large portion of the funds necessary to implement the Issuer's Confirmed Plan of Adjustment. Pursuant to the Confirmed Plan of Adjustment, the Retired Warrants will not be paid in full, and the proceeds of the Warrants, together with certain funds of the Issuer and funds on deposit under the Retired Warrants Indenture, will be distributed to the holders of the Retired Warrants or will be distributed by or on behalf of the Issuer to pay certain other creditors of the Issuer, all in amounts specified in the Confirmed Plan of Adjustment. On the Effective Date, as such term is defined in the Confirmed Plan of Adjustment, the Retired Warrants and the Retired Warrants Indenture will be cancelled, and the Issuer will be released from all further obligations with respect thereto.

The Warrants are limited obligations of the Issuer payable solely out of the Trust Estate established under this Indenture, which includes the System Revenues described herein.

This Indenture pledges the gross revenues from the System (the "System Revenues") for the benefit of the Holders of all debt obligations secured by this Indenture (all debt obligations secured by this Indenture, including the Warrants, being referred to collectively as "Secured Obligations"). The System Revenues and the General Indenture Funds are part of the General Trust Estate established under this Indenture. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate established under this Indenture; and (ii) Subordinate Lien Obligations, which have a

second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-A Warrants, the Series 2013-B Warrants and the Series 2013-C Warrants (also referred to collectively in this Indenture as the "Series 2013 Senior Lien Obligations") are being issued as Senior Lien Obligations. The Series 2013-D Warrants, the Series 2013-E Warrants and Series 2013-F Warrants (also referred to collectively in this Indenture as the "Series 2013 Subordinate Lien Obligations") are being issued as Subordinate Lien Obligations. This Indenture permits the issuance of additional Senior Lien Obligations secured on a parity of lien with the Series 2013 Senior Lien Obligations with respect to the General Trust Estate (subject to certain limitations described herein), and this Indenture permits the issuance of additional Subordinate Lien Obligations secured on a parity of lien with the Series 2013 Subordinate Lien Obligations with respect to the General Trust Estate.

Payment of the Series 2013 Senior Lien Obligations is further secured by the Series 2013 Senior Lien Trust Estate, which includes the Series 2013 Senior Lien Indenture Funds described herein, and which are held by the Trustee for the sole benefit of Holders of the Series 2013 Senior Lien Obligations. Payment of the Series 2013 Subordinate Lien Obligations is further secured by the Series 2013 Subordinate Lien Trust Estate, which includes the Series 2013 Subordinate Lien Indenture Funds described herein, and which are held by the Trustee for the sole benefit of the Holders of the Series 2013 Subordinate Lien Obligations.

The Series 2013 Senior Lien Trust Estate includes the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund is being collateralized with a letter of credit being issued contemporaneously with the issuance of the Warrants by JPMorgan Chase Bank. Likewise, the Series 2013 Subordinate Lien Trust Estate includes the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund is being collateralized with a letter of credit being issued contemporaneously with the issuance of the Warrants by JPMorgan Chase Bank. To the extent draws are made on the Series 2013 Senior Lien Reserve Fund Letter of Credit, the Issuer will provide its Senior Lien Reserve Fund Reimbursement Warrants to JPMorgan Chase Bank, in such principal amount or amounts that equal the applicable draw on the Series 2013 Senior Lien Reserve Fund Letter of Credit. To the extent draws are made on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, the Issuer will provide its Subordinate Lien Reserve Fund Reimbursement Warrants to JPMorgan Chase Bank, in such principal amount or amounts that equal the applicable draw on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. The Reserve Fund Warrants are being secured pursuant to a First Supplemental Trust Indenture dated December 1, 2013 (the "First Supplemental Indenture"), which is being entered into by the Issuer and the Trustee contemporaneously with this Indenture. The Reserve Fund Warrants are more particularly described in the First Supplemental Indenture.

The Confirmed Plan of Adjustment and related confirmation order provide a binding judicial determination that the Warrants, the Reserve Fund Warrants, this Indenture, the First Supplemental Indenture, the Rate Resolution, and the covenants made by the Issuer for the benefit of the holders of the Warrants (including the covenants provided for in Section 10.9 of this Indenture) will constitute legal, valid, binding and enforceable obligations of the Issuer. The Confirmed Plan of Adjustment and related confirmation order further provide that the Commission shall adopt and maintain a sewer rate structure in accordance with the Rate Resolution and as necessary for the Issuer to satisfy its obligations arising under the Warrants and this Indenture, including increases in sewer rates to the extent necessary to allow the timely satisfaction of the Issuer's obligations under this Indenture.

All things have been done which are necessary to make the Warrants, when executed by the Issuer and authenticated and delivered by the Trustee hereunder, the valid obligations of the Issuer, and to constitute this Indenture a valid trust indenture for the security of the Secured Obligations, in accordance with the terms of this Indenture.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

It is hereby covenanted and declared that all the Warrants are to be authenticated and delivered and the property subject to this Indenture is to be held and applied by the Trustee, subject to the covenants, conditions and trusts hereinafter set forth, and the Issuer does hereby covenant and agree to and with the Trustee, for the equal and proportionate benefit (except as otherwise expressly provided herein) of all Warrants as follows:

ARTICLE 1
Definitions and Other Provisions
of General Application

SECTION 1.1 Definitions

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meaning indicated:

“**Accreted Value**” means, on any date of calculation or determination with respect to any Capital Appreciation Obligations or Convertible Capital Appreciation Obligations, the sum of the Initial Principal Amount of such warrants plus the amount of interest accreted on such warrants to and including such date.

“**Act**” means Act No. 716 adopted at the 1900-01 Session of the Alabama Legislature, pursuant to which the Issuer is authorized to levy an ad valorem tax for the benefit of the System.

“**Act of Bankruptcy**” means the filing of a petition in bankruptcy (or the other commencement of a bankruptcy or similar proceeding) by the Issuer after the effective date of this Indenture under any applicable bankruptcy, insolvency, reorganization, or similar law, now or hereafter in effect.

“**Additional Secured Obligation Reserve Fund Requirement**” means, with respect to Secured Obligations issued after the date of issuance of the Warrants, the amount required to be on deposit in any Secured Obligation Reserve Fund established pursuant to a Supplemental Indenture.

“**Affiliate**” of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, “control” when used with respect to any specified person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Amendment 73**” means Amendment 73 to the Constitution of the State.

“**Authorized Denominations**” means (i) with respect to the Series 2013-A Warrants or the Series 2013-D Warrants, a principal amount equal to \$5,000 or any integral multiple thereof; (ii) with respect to the Series 2013-B Warrants or Series 2013-E Warrants, a principal amount or Accreted Value due at maturity equal to \$5,000 or any integral multiple thereof; (iii) with respect to the Series 2013-C Warrants or Series 2013-F Warrants, a principal amount or Accreted Value at the Current Interest Commencement Date equal to \$5,000 or any integral multiple thereof; and from and after the Current Interest Commencement Date, a principal amount equal to \$5,000 or any integral multiple thereof; (iv) with respect to additional Secured Obligations, the amount specified in a Supplemental Indenture.

“**Authorized Issuer Representative**” means the President of the Commission, the County Manager, the Chief Financial Officer of the Issuer, or any other officer or agent of the Issuer authorized by resolution of the Commission to act as “Authorized Issuer Representative” for purposes of the Secured Obligation Documents.

“**Balloon Debt**” means Current Interest Obligations 50% or more of the original principal amount of which matures during any 12-month period. For purposes of this definition, the principal amount of Secured Obligations required to be redeemed prior to maturity shall be deemed payable on the mandatory redemption date rather than at maturity. For the avoidance of doubt, this definition shall not apply to Capital Appreciation Obligations or to Convertible Capital Appreciation Obligations prior to the Current Interest Commencement Date applicable thereto.

“**Bankruptcy Case**” means *In re Jefferson County, Alabama*, Case No. 11-05736-TBB9 adjudicated in the Bankruptcy Court.

“**Bankruptcy Court**” means the United States Bankruptcy Court for the Northern District of Alabama, Southern Division.

“**Book Entry System**” means the electronic system maintained by DTC for the ownership, transfer, exchange and payment of debt obligations.

“**Budgeted System Costs**” means all reasonable and necessary direct or indirect expenses of operating and maintaining the System projected to be payable from System Revenues for a Fiscal Year other than (i) Debt Service Requirements, (ii) all amounts payable on Unsecured Obligations, (iii) Capital Improvements, (iv) depreciation, (v) amortization, (v) other non-cash expenses, and (vi) customer security deposits.

“**Business Day**” means any day other than a Saturday, a Sunday, or a day on which the Trustee is authorized to be closed under general law or regulation applicable in the place where the Trustee performs its business with respect to the Indenture.

“**Callable Warrants**” means Warrants that are subject to redemption at the option of the Issuer.

“**Capital Appreciation Obligations**” means warrants or other debt obligations that do not pay interest on a current basis to the Holders thereof, but rather accrete in value over time as provided in the Indenture or Supplemental Indenture pursuant to which such obligations are issued.

“**Capital Improvement Fund**” means the fund established pursuant to *Section 9.8*.

“**Capital Improvements**” means improvements or additions to the System that are chargeable to the Issuer’s capital account (or could be chargeable if so elected by the Issuer) determined in accordance with generally accepted accounting principles.

“**Commission**” means the Jefferson County Commission, the governing body of the Issuer.

“**Compounding Date**” means, with respect to a Capital Appreciation Warrant or a Convertible Capital Appreciation Warrant, the periodic date on which the Accreted Value on such Warrant is to be compounded. The Compounding Dates applicable to the Series 2013-B Warrants are specified in *Section 5.2(d)*; the Compounding Dates applicable to the Series 2013-C Warrants are specified in *Section 5.3(d)*; and the Compounding Dates applicable to the Series 2013-E Warrants are specified in *Section 5.5(d)*; and the Compounding Dates applicable to the Series 2013-F Warrants are specified in *Section 5.6(d)*. The Compounding Date applicable to any other Secured Obligations shall be set forth in a Supplemental Indenture pursuant to which such Secured Obligations are issued.

“**Confirmed Plan of Adjustment**” means the Issuer’s chapter 9 plan of adjustment, as confirmed by order of the Bankruptcy Court (Docket No. [____]) in the Bankruptcy Case.

“**Consent Decree**” means the order entered by the United States District Court for the Northern District of Alabama in the consolidated cases styled *Kipp v. Jefferson County, Alabama* (Civil Action No. 93-G-2492-S) and *United States v. Jefferson County, Alabama* (Civil Action No. 94-G-2947-S) requiring the Issuer to undertake remedial actions with respect to the System.

“**Continuing Disclosure Agreement**” means the Continuing Disclosure Agreement entered into by the Issuer in connection with the issuance of the Warrants.

“**Convertible Capital Appreciation Obligations**” means warrants or other debt obligations that, for an initial period of time, do not pay interest on a current basis to the Holders thereof, but rather accrete in value until the Current Interest Commencement Date applicable to such obligations, and from such date, provide for interest to be paid to the Holders thereof at least annually, or more frequently, all as provided in the Indenture or Supplemental Indenture pursuant to which such obligations are issued.

“**Costs of Issuance**” means the expenses incurred in connection with the issuance of any Secured Obligations, including legal, consulting, accounting and underwriting fees and expenses.

(7) With respect to Secured Obligations constituting Balloon Debt, Debt Service payable on such Secured Obligations shall be projected assuming (i) that the principal balance of such Secured Obligations on the date of determination is refinanced on the date of determination over a term equal to forty years less the number of whole years that have elapsed since such Secured Obligations were issued, (ii) that such principal balance will bear interest at the Index Rate, and (iii) that Debt Service on such Secured Obligations after the date of determination will be payable in approximately equal annual installments sufficient to pay both principal and interest.

“**Defaulted Interest**” means any interest on any Secured Obligation which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date.

“**Defeased**” or “**Defeasance**”, when used with respect to Indenture Indebtedness, shall have the meaning assigned in *Section 14.1*.

“**DTC**” means The Depository Trust Company and its successors and assigns.

“**Enabling Law**” means Title 11, Chapter 28 (Sections 11-28-1 *et seq.*) of the Code of Alabama 1975.

“**Favorable Tax Opinion**” means an Opinion of Counsel delivered by an attorney or firm of attorneys which is nationally recognized as bond counsel, stating in effect that the proposed action, together with any other changes with respect to Secured Obligations made or to be made in connection with such action, will not cause interest on the Secured Obligations to become includible in gross income of the Holders for purposes of federal income taxation.

“**Federal Securities**” means noncallable, nonprepayable, direct obligations of, or obligations the full and timely payment of which is guaranteed by, the United States of America.

“**Financing Participants**” means the Issuer and the Trustee.

“**First Supplemental Indenture**” means that certain First Supplemental Trust Indenture dated December 1, 2013 between the Issuer and the Trustee pursuant to which the Issuer’s Reserve Fund Warrants are secured.

“**Fiscal Year**” means the fiscal year of the Issuer ending as of September 30 (or such other date as established from time to time by requisite action of the Commission) of each year.

“**Fitch**” means Fitch Ratings, Inc.

“**General Indenture Funds**” has the meaning assigned in *Section 3.1(a)*.

“**General Trust Estate**” has the meaning assigned in *Section 3.1(a)*.

“**Holder**” or “**Warrantholder**”, means:

- (1) When used with respect to any Warrant, means (i) if the Book Entry System is not in effect, the person in whose name such Warrant is registered on the Warrant Register maintained by the Trustee and (ii) if the Book Entry System is in effect, the beneficial owner of such Warrant on the records maintained pursuant to the Book Entry System.
- (2) When used with respect to any Secured Obligation other than Warrants, the owner of such Secured Obligation under the terms of the instrument authorizing the issuance of such Secured Obligation.

“**Indenture**” means this instrument as originally executed or as it may from time to time be supplemented, modified or amended by one or more indentures or other instruments supplemental hereto entered into pursuant to

“**Costs of Issuance Fund**” means the fund established pursuant to *Section 9.9*.

“**Credit Enhancement**” means a facility provided by a third party that provides a guaranty or other assurance for the payment of Debt Service on Secured Obligations or the purchase price of Secured Obligations tendered for purchase pursuant to optional or mandatory tender provisions applicable to such Secured Obligations or both, including bond insurance, a letter of credit, or a standby warrant purchase agreement.

“**Current Interest Commencement Date**” means the date upon which (A) the Accreted Value of Convertible Capital Appreciation Obligations is converted to principal for the purpose of calculating future interest and (B) Convertible Capital Appreciation Obligations cease accruing interest and begin to accrue current interest. The Current Interest Commencement Date applicable to the Series 2013-C Warrants is specified in *Section 5.3(d)*, and the Current Interest Commencement Date applicable to the Series 2013-F Warrants is specified in *Section 5.6(d)*.

“**Current Interest Obligations**” means warrants or other debt obligations that provide for interest to be paid to the Holders thereof at least annually as provided in the Indenture or Supplemental Indenture pursuant to which such warrants are issued.

“**Debt Service**” means the principal, redemption premium (if any), and interest, whether accrued or accreted, payable on Secured Obligations.

“**Debt Service Requirements**” for any Fiscal Year means the scheduled Debt Service payments on Secured Obligations due and payable on [April 1] during such Fiscal Year and on the [October 1] immediately succeeding such Fiscal Year (Debt Service payable on [October 1] during the Fiscal Year for which such computation is made being excluded from this calculation); provided, however, that:

- (1) The principal amount of Secured Obligations subject to scheduled mandatory redemption in any Fiscal Year shall be deemed to be payable in such Fiscal Year rather than the Fiscal Year of the stated maturity of such Secured Obligations.
- (2) With respect to Secured Obligations bearing interest at a variable rate, the amount of interest payable during any period for which the actual rate cannot be determined shall be projected using the Index Rate.
- (3) If Secured Obligations have been Defeased, all principal and interest due on such Secured Obligations after the effective date of such Defeasance shall be excluded from Debt Service Requirements.
- (4) Interest payments on Secured Obligations which are entitled to payments under any federal government assistance program (such as the program for Build America Bonds under the American Recovery and Reinvestment Act of 2009 or similar program):
 - (A) with respect to calculations which are retrospective in nature, shall be reduced by the amount of any subsidy or credit payments to which the Issuer actually received; and
 - (B) with respect to calculations which involve the then current Fiscal Year or are prospective in nature, shall be reduced by the amount of any subsidy or credit payments to which the Issuer is entitled.
- (5) Unscheduled principal payments (including principal payments resulting from the optional redemption of Secured Obligations or the purchase and retirement of Secured Obligations) shall be excluded from Debt Service Requirements.
- (6) The repurchase obligation with respect to Secured Obligations subject to optional or mandatory tender for purchase shall be disregarded on any date of determination if the repurchase obligation of the Issuer is secured by Credit Enhancement on such date.

the applicable provisions hereof, including Supplemental Indentures executed with respect to additional Secured Obligations as provided in *Article 8*.

"Indenture Default" shall have the meaning assigned in *Section 1.1.1*. An Indenture Default shall "exist" if an Indenture Default shall have occurred and be continuing.

"Indenture Funds" means any fund or account established pursuant to this Indenture.

"Indenture Indebtedness" means all indebtedness of the Issuer at the time secured by this Indenture, including (a) Secured Obligations, (b) all reasonable fees, charges and disbursements of the Trustee for services performed (including administration), disbursements made or enforcement of rights provided Holders under this Indenture and (c) all amounts due and payable with respect to Credit Enhancement.

"Independent Certified Public Accountant" means a person or firm who (i) has a favorable regional or national reputation for skill and experience in governmental accounting, (ii) shall be appointed by the Issuer, (iii) does not have any direct financial interest or any material indirect financial interest in the Issuer or any Affiliate of the Issuer, (iv) does not serve as a member of the governing body of the Issuer or any Affiliate of the Issuer, and (v) is not employed by the Issuer or any Affiliate of the Issuer; provided that an Independent Certified Public Accountant may be the same person or firm which prepares the Issuer's audited financial statements.

"Independent Consultant" means a person or firm who (i) has a favorable regional or national reputation for skill and experience in the operations and financial affairs of sewer systems, (ii) shall be appointed by the Issuer, (iii) does not have any direct financial interest or any material indirect financial interest in the Issuer or any Affiliate of the Issuer, (iv) does not serve as a member of the governing body of the Issuer or any Affiliate of the Issuer, and (v) is not employed by the Issuer or any Affiliate of the Issuer.

"Index Rate" shall mean the "Bond Buyer Revenue Bond Index" rate for 30-year tax-exempt revenue bonds, as published by *The Bond Buyer* on any date selected by the Issuer that is within 30 days prior to the date of such determination; provided, however, that if *The Bond Buyer* (or a successor publication) ceases to publish such index, the Index Rate shall be a comparable index selected by the Issuer.

"Initial Principal Amount" means the principal amount of Capital Appreciation Obligations or Convertible Capital Appreciation Obligations (prior to the applicable Current Interest Commencement Date), from which interest accrues. The Initial Principal Amount of the Series 2013-B Warrants is specified in *Section 5.2(b)*; the Initial Principal Amount of the Series 2013-C Warrants is specified in *Section 5.3(b)*; the Initial Principal Amount of the Series 2013-E Warrants is specified in *Section 5.5(b)*; and the Initial Principal Amount of the Series 2013-F Warrants is specified in *Section 5.6(b)*. The Initial Principal Amount applicable to any other Secured Obligations shall be set forth in a Supplemental Indenture pursuant to which such Secured Obligations are issued.

"Insured Series 2013 Warrants" shall mean, collectively, the Series 2013-A Warrants, the Series 2013-B Warrants and the Series 2013-C Warrants.

"Interest Payment Date" means (i) when used with respect to any installment of interest on a Warrant, means the date specified in this Indenture as the date on which such installment of interest is due and payable, and (ii) when used with respect to any installment of interest on any other Secured Obligation, the date specified in the related Supplemental Indenture as the date on which any installment of interest on such other Secured Obligation is due and payable.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

"Issuer" means Jefferson County, Alabama, a political subdivision of the State.

"JPMorgan Chase Bank" means JPMorgan Chase Bank, National Association, the issuer of the Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit.

"Maturity Date" means (i) when used with respect to any Warrant, the date specified herein and in such Warrant as the date on which principal or Accreted Value of such Warrant is due and payable, (ii) when used with respect to any other Secured Obligation, the date specified in the related Supplemental Indenture as the date on which the principal or Accreted Value of such Secured Obligation is due and payable.

"Minute Clerk" means the employee of the Issuer designated by the Commission as the custodian of the official records of the proceedings of the Commission.

"Moody's" means Moody's Investors Service, Inc.

"Net Income Available for Senior Lien Debt Service" means the excess of System Revenues, income and gains from the System over expenses (including Operating Expenses to the extent in excess of Sewer Tax Proceeds) and losses from the System for the Fiscal Year in question, calculated in accordance with generally accepted accounting principles as used in preparing the most recent audited financial statements of the Issuer; provided, however, that for purposes of computing Net Income Available for Senior Lien Debt Service the following items shall be excluded from this computation: (a) Debt Service paid on all Secured Obligations; (b) all amounts payable on Unsecured Obligations, (c) expenditures for Capital Improvements, (d) depreciation and amortization, (e) unrealized gains or losses on investments, (f) other non-cash expenses, and (g) customer security deposits.

"Net Income Available for Subordinate Lien Debt Service" means the excess of System Revenues, income and gains from the System over (i) expenses (including Operating Expenses to the extent in excess of Sewer Tax Proceeds) and losses from the System and (ii) Debt Service Requirements on Senior Lien Obligations for the Fiscal Year in question, calculated in accordance with generally accepted accounting principles as used in preparing the most recent audited financial statements of the Issuer; provided, however, that for purposes of computing Net Income Available for Subordinate Lien Debt Service, the following items shall be excluded from this computation: (a) Debt Service paid on all Subordinate Lien Obligations, (b) all amounts payable on Unsecured Obligations, (c) expenditures for Capital Improvements, (d) depreciation and amortization, (e) unrealized gains or losses on investments, (f) other non-cash expenses, and (g) customer security deposits.

"Obligor Obligations" means Secured Obligations registered in the name of (or in the name of a nominee for) the Issuer, or any Affiliate of the Issuer. The Trustee may assume that no Secured Obligations are Obligor Obligations unless it has actual notice to the contrary.

"Office of the Trustee" means the office of the Trustee for hand delivery of notices, as specified pursuant to *Section 16.1*.

"Operating Account" means an account established by the Issuer in accordance with the provisions of *Section 9.5*.

"Operating Expenses" means all reasonable and necessary direct or indirect expenses of operating and maintaining the System determined in accordance with generally accepted accounting principles.

"Opinion of Counsel" means an opinion from an attorney or firm of attorneys with experience in the matters to be covered in the opinion. Except as otherwise expressly provided in this Indenture, the attorney or attorneys rendering such opinion may be counsel for one or more of the Financing Participants, including counsel in the full-time employment of a Financing Participant.

"Outstanding", when used with respect to Secured Obligations means, as of the date of determination, all Secured Obligations authenticated and delivered under this Indenture, except:

- (a) Secured Obligations cancelled by the Trustee or delivered to the Trustee for cancellation;
- (b) Secured Obligations for whose payment or redemption money in the necessary amount has been deposited with the Trustee in trust for the Holders of such Secured Obligations, provided that, if

such Secured Obligations are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustee has been made; and

(c) Secured Obligations in exchange for or in lieu of which other Secured Obligations have been authenticated and delivered under this Indenture;

provided, however, that in determining whether the Holders of the requisite principal amount of Secured Obligations Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Secured Obligations owned by the Issuer shall be disregarded and deemed not to be Outstanding. Obligor Obligations which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee's right so to act with respect to such Warrants and that if such pledgee was the Holder such Warrants would not be considered Obligor Obligations.

"Post-Default Rate" means (a) when used with respect to any payment of Debt Service on any Warrant, the interest rate applicable to such Warrant on the date such Debt Service became due, (b) when used with respect to any payment of Debt Service on any additional Secured Obligation issued hereunder, the interest rate specified in the applicable Supplemental Indenture, and (c) when used with respect to all other payments due under this Indenture, a variable rate equal to the "Prime Rate" as published in *The Wall Street Journal* plus 2.0% (200 basis points), in each case computed on the basis of a 365 or 366-day year, as the case may be, for actual days elapsed; provided that the Post-Default Rate shall never exceed 12% per annum.

"Qualified Investments" means:

- (a) Federal Securities;
- (b) obligations of the State, or obligations of any county or municipal corporation of the State, provided such obligations are rated by a Rating Agency in the any one of the three highest rating categories (without regard to variations within a category);
- (c) Direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States;
- (d) Obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States:
 - (1) Farmers Home Administration,
 - (2) General Services Administration,
 - (3) U. S. Maritime Administration,
 - (4) Small Business Administration,
 - (5) Government National Mortgage Association (GNMA),
 - (6) U. S. Department of Housing and Urban Development (HUD), or
 - (7) Federal Housing Administration (FHA);
- (e) U. S. dollar denominated deposit accounts and certificates of deposit with banks or savings associations which are qualified public depositories under Chapter 14A of Title 41 of the Code of Alabama 1975;
- (f) Pre-refunded public obligations, defined as follows: Any bonds or other obligations of any state of the United States or of any agency, instrumentality or local governmental unit of any such state (i) which are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has

been given by the obligor to call on the date specified in the notice, and (ii) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in subdivision (b) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (iii) which fund is sufficient, as verified by an Independent Certified Public Accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (i) of this paragraph, as appropriate, and (iv) which are rated, based on the escrow, in the highest rating category of S&P and Moody's, or any successors thereto; or

(g) Interests, however evidenced, in any common trust fund or other collective investment fund maintained by any national or state chartered bank, trust company or savings association having trust powers (including the Trustee or an affiliate of the Trustee), or securities of or other interests in any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, as from time to time amended, so long as all of the following requirements are met at the time of purchase and during the term of investment: (i) At least 65% of the portfolio of such common trust fund, collective investment fund or investment company or investment trust must consist of investments authorized in subdivisions (b), (c), (d), or (e) above, and (ii) the remainder of the portfolio (if any, but not more than 35%) may consist only of the following investments: (y) obligations issued or guaranteed by the following agencies (stripped securities are only permitted if such security is created by the agency itself): Federal National Mortgage Association (FNMA), Federal Home Loan Mortgage Corporation (FHLMC), including FNMA, and FHLAMC participation certificates, Federal Land Banks, Central Bank for Cooperatives, Federal Intermediate Credit Banks, Student Loan Marketing Association, and Federal Home Loan Banks, or (z) repurchase agreements fully collateralized by obligations, securities or investments otherwise authorized under subclauses (i) and (ii) of this paragraph (g), so long as the common trust fund, collective investment fund, investment company or investment trust takes possession and delivery of the collateral for any repurchase agreement either directly or through an authorized custodian. The fact that any financial institution making such investment on behalf of the Issuer, or any affiliate of such financial institution, is providing services to the investment company or investment trust as an investment advisor, sponsor, distributor, custodian, transfer agent, registrar, or otherwise, and is receiving reasonable remuneration for such services, shall not preclude such institution from making the investment in the securities of such investment company or investment trust; provided, however, that with respect to any account for which fees are charged for such services, the said financial institution shall disclose (by prospectus, account statement or otherwise) to the Issuer or to any third party directing investments the basis (expressed as a percentage of asset value or otherwise) upon which the fee is calculated.

"Rate Resolution" means that certain resolution duly adopted by the Commission on September 23, 2013 and recorded in Minute Book 165, Pages 330 through 344 of the official records of the Commission.

"Rating Agency" means Moody's, S&P, Fitch and any other nationally recognized securities rating agency specified by the Issuer.

"Rebate Liability" means the amount of any rebate due to the United States Treasury with respect to any series of Secured Obligations pursuant to Section 148(f) of the Internal Revenue Code.

"Regular Record Date" means the 15th day (whether or not a Business Day) of the month preceding each Interest Payment Date.

“**Senior Lien Obligations**” means warrants or other debt obligations that are payable pursuant to the priority established by *Section 9.2(a)(1)* whether issued under this Indenture or pursuant to a Supplemental Indenture.

“**Senior Lien Reserve Fund**” means the Series 2013 Senior Lien Reserve Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(1)(G)* to secure payment of Senior Lien Obligations.

“**Series 2013 Clearing Account**” means the account established pursuant to *Section 5.7(a)* for the initial receipt and distribution of proceeds from the initial sale and delivery of the Warrants and of amounts remitted by the Refunded Warrants Trustee pursuant to the Confirmed Plan of Adjustment.

“**Series 2013 Collateral Support Agreement**” means that certain Series 2013 Collateral Support Agreement between the Trustee and JPMorgan Chase Bank dated the date of this Indenture governing [JPMorgan entity’s] collateral delivery obligations with respect to the Series 2013 Senior Lien Reserve Fund Letter of Credit and the Series 2013 Subordinate Lien Reserve Fund Letter of Credit.

“**Series 2013 Insurance Policy**” means that certain municipal bond insurance policy numbered [] issued by the Series 2013 Insurer guaranteeing the scheduled payment of principal of and interest on the Issued Series 2013 Warrants when due. The Series 2013 Insurance Policy shall constitute Credit Enhancement.

“**Series 2013 Insurer**” shall mean Assured Guaranty Municipal Corp., a New York stock insurance company, or any successor thereto or assignee thereof.

“**Series 2013 Senior Lien Debt Service Fund**” means the fund established pursuant to *Section 9.3*.

“**Series 2013 Senior Lien Indenture Funds**” has the meaning assigned in *Section 3.1(b)*.

“**Series 2013 Senior Lien Obligations**” means the Series 2013-A Warrants, the Series 2013-B Warrants, and the Series 2013-C Warrants.

“**Series 2013 Senior Lien Reserve Fund**” means the fund established pursuant to *Section 9.6*.

“**Series 2013 Senior Lien Reserve Fund Letter of Credit**” means that certain irrevocable letter of credit no. [] issued by JPMorgan Chase Bank and delivered to the Trustee as security for the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund Letter of Credit shall constitute Credit Enhancement.

“**Series 2013 Senior Lien Reserve Fund Requirement**”, as determined on the date of initial delivery of the Series 2013 Senior Lien Obligations pursuant to *Section 9.6*, means the lesser of (a) 125% of the average annual Debt Service Requirements on the Series 2013 Senior Lien Obligations Outstanding, (b) maximum annual Debt Service Requirements on the Series 2013 Senior Lien Obligations Outstanding, or (c) 10% of the principal amount of the Series 2013 Senior Lien Obligations Outstanding. On the date of initial delivery of the Series 2013 Senior Lien Obligations, the Series 2013 Senior Lien Reserve Fund Requirement is \$_____.

“**Series 2013 Senior Lien Trust Estate**” has the meaning assigned in *Section 3.1(b)*.

“**Series 2013 Subordinate Lien Debt Service Fund**” means the fund established pursuant to *Section 9.4*.

“**Series 2013 Subordinate Lien Indenture Funds**” has the meaning assigned in *Section 3.1(c)*.

“**Series 2013 Subordinate Lien Obligations**” means the Series 2013-D Warrants, the Series 2013-E Warrants, and the Series 2013-F Warrants.

“**Series 2013 Subordinate Lien Reserve Fund**” means the fund established pursuant to *Section 9.7*.

“**Required Coverage Ratios**” means the following ratios:

- (1) *Senior Debt Ratio*. Net Income Available for Senior Lien Debt Service for the Fiscal Year in question must be not less than 125% of Debt Service Requirements on Senior Lien Obligations payable during such Fiscal Year.
- (2) *Subordinate Debt Ratio*. Net Income Available for Subordinate Lien Debt Service for the Fiscal Year in question must be not less than 110% of Debt Service Requirements on Subordinate Lien Obligations payable during such Fiscal Year.

The Issuer must satisfy both ratios in order to be in compliance with the Required Coverage Ratios.

“**Required Operating Reserve**”, when used with respect to any Fiscal Year, means an amount equal to 1/4 of the total Budgeted System Costs projected by the Issuer’s operating budget for the System for such Fiscal Year prepared pursuant to *Section 10.8(f)*.

“**Required Transfer or Deposit**” means any payment, transfer or deposit provided for in *Sections 9.2(a)(1)* through (5).

“**Reserve Fund Requirement**” means the sum of the Series 2013 Senior Lien Reserve Fund Requirement, the Series 2013 Subordinate Lien Reserve Fund Requirement and any Additional Secured Obligation Reserve Fund Requirement.

“**Reserve Fund Warrants**” means, collectively, the Issuer’s Senior Reserve Fund Reimbursement Warrants and Subordinate Lien Reserve Fund Reimbursement Warrants, secured by and authorized to be issued pursuant to the First Supplemental Indenture.

“**Retired Warrants**” means the Issuer’s (1) Sewer Revenue Warrants, Series 1997-A, (2) Sewer Revenue Capital Improvement Warrants, Series 2001-A, (3) Sewer Revenue Capital Improvement Warrants, Series 2002-A, (4) Sewer Revenue Warrants, Series 2002-C, (5) Sewer Revenue Warrant, Series 2003-A, (6) Sewer Revenue Warrants, Series 2003-B, and (7) Sewer Revenue Warrants, 2003-C.

“**Retired Warrants Trustee**” means The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama.

“**Revenue Fund**” means the fund established pursuant to *Section 9.1*.

“**S&P**” means Standard & Poor’s Financial Services, LLC.

“**Secured Obligation Debt Service Funds**” means the Series 2013 Senior Lien Debt Service Fund, the Series 2013 Subordinate Lien Debt Service Fund and any fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(1)(F)* for the payment of Debt Service on Secured Obligations.

“**Secured Obligation Documents**” means this Indenture (including all Supplemental Indentures) and the Secured Obligations.

“**Secured Obligation Reserve Funds**” means the Series 2013 Senior Lien Reserve Fund, the Series 2013 Subordinate Lien Reserve Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(1)(G)* to secure payment of Secured Obligations.

“**Secured Obligations**” means Senior Lien Obligations and Subordinate Lien Obligations.

“**Senior Lien Debt Service Fund**” means the Series 2013 Senior Lien Debt Service Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(1)(F)* for the payment of Debt Service on Senior Lien Obligations.

“**Series 2013 Subordinate Lien Reserve Fund Letter of Credit**” means that certain irrevocable letter of credit no. _____ issued by JPMorgan Chase Bank and delivered to the Trustee as security for the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall constitute Credit Enhancement.

“**Series 2013 Subordinate Lien Reserve Fund Requirement**” as determined on the date of initial delivery of the Series 2013 Subordinate Lien Obligations pursuant to *Section 9.7*, means the lesser of (a) 125% of the average annual Debt Service Requirements on the Series 2013 Subordinate Lien Obligations Outstanding, (b) maximum annual Debt Service Requirements on the Series 2013 Senior Lien Obligations Outstanding, or (c) 10% of the principal amount of the Series 2013 Subordinate Lien Obligations Outstanding as of the date of original issuance. On the date of initial delivery of the Series 2013 Subordinate Lien Obligations, the Series 2013 Subordinate Lien Reserve Fund Requirement is \$_____.

“**Series 2013 Subordinate Lien Trust Estate**” has the meaning assigned in *Section 3.1(c)*.

“**Series 2013-A Warrants**” means the Issuer’s [Amount] Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A, issued pursuant to this Indenture. The Series 2013-A Warrants are being issued as Senior Lien Obligations and as Current Interest Obligations.

“**Series 2013-B Warrants**” means the Issuer’s [Amount] Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B, issued pursuant to this Indenture. The Series 2013-B Warrants are being issued as Senior Lien Obligations and as Capital Appreciation Obligations.

“**Series 2013-C Warrants**” means the Issuer’s [Amount] Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C, issued pursuant to this Indenture. The Series 2013-C Warrants are being issued as Senior Lien Obligations and as Convertible Capital Appreciation Obligations.

“**Series 2013-D Warrants**” means the Issuer’s [Amount] Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D, issued pursuant to this Indenture. The Series 2013-D Warrants are being issued as Subordinate Lien Obligations and as Current Interest Obligations.

“**Series 2013-E Warrants**” means the Issuer’s [Amount] Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E, issued pursuant to this Indenture. The Series 2013-E Warrants are being issued as Subordinate Lien Obligations and as Capital Appreciation Obligations.

“**Series 2013-F Warrants**” means the Issuer’s [Amount] Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F, issued pursuant to this Indenture. The Series 2013-F Warrants are being issued as Subordinate Lien Obligations and as Convertible Capital Appreciation Obligations.

“**Sewer Tax Proceeds**” means the proceeds from the ad valorem tax levied by the Issuer pursuant to authority granted by the Act.

“**Special Record Date**” for the payment of any Defaulted Interest on the Warrants means a date fixed by the Trustee pursuant to *Section 4.1(b)(7)* or *Section 4.2(f)*. The Special Record Date for additional Secured Obligations shall be set forth in a Supplemental Indenture pursuant to which such Secured Obligations are issued.

“**State**” means the State of Alabama.

“**Subordinate Lien Debt Service Fund**” means the Series 2013 Subordinate Lien Debt Service Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(f)(f)* for the payment of Debt Service on Subordinate Lien Obligations.

“**Subordinate Lien Obligations**” means warrants or other debt obligations that are payable pursuant to the priority established by *Section 9.2(a)(3)* whether issued pursuant to this Indenture or pursuant to a Supplemental Indenture.

“**Subordinate Lien Reserve Fund**” means the Series 2013 Subordinate Lien Reserve Fund and any other fund established pursuant to a Supplemental Indenture in accordance with the provisions of *Section 8.2(a)(l)(g)* to secure payment of Subordinate Lien Obligations.

“**Supplemental Indenture**” means a supplement to this Indenture authorizing the issuance of Secured Obligations that meets the requirements of *Article 8*.

“**System**” means the sanitary sewer system owned and operated by the Issuer, as now or hereafter constituted.

“**System Revenues**” means all revenues derived from the ownership or operation of the System.

“**Tax Certificate and Agreement**” means (a) that certain Tax Certificate and Agreement entered into by the Issuer contemporaneously with the issuance of the Warrants and (b) any similar agreement entered into by the Issuer contemporaneously with the issuance of additional Secured Obligations the interest on which is excluded from gross income of the holders of such Secured Obligations for purposes of federal income taxation.

“**Tenor**”, when used to describe the distinguishing characteristics of a Secured Obligation or group of Secured Obligations, means the series designation, Maturity Date, interest rate and CUSIP number of such Secured Obligation or group of Secured Obligations. Secured Obligations of the same Tenor have the same series designation, Maturity Date, interest rate and CUSIP number.

“**Term Warrants**” means Warrants subject to scheduled mandatory redemption in accordance with the provisions of *Section 7.1(b)* or *7.1(f)*.

“**Trust Estate**” means the General Trust Estate, the Series 2013 Senior Lien Trust Estate and the Series 2013 Subordinate Lien Trust Estate, and for any particular series of Secured Obligations, the funds designated pursuant to *Section 8.2(a)(j)(h)*.

“**Trustee**” means Wells Fargo Bank, National Association, a national banking association, as trustee, until a successor Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” means such successor.

“**Unsecured Obligations**” means any (a) debt, (b) contract entered into with respect to interest rate exchange agreements with respect to debt, or (c) other contractual obligations of the Issuer (other than Operating Expenses) that are undertaken for the benefit of the System and are either (i) payable from System Revenues but are not secured by a pledge of the System Revenues or (ii) payable from System Revenues but are secured by a pledge of the System Revenues that is subject and subordinate to the lien of this Indenture.

“**Warrant Payment Date**” means each date on which Debt Service is payable on Warrants, including any date fixed for redemption of Warrants.

“**Warrant Register**” means the register or registers for the registration and transfer of Warrants maintained by the Issuer at the Office of the Trustee pursuant to *Sections 4.1(b)(l)* and *4.2(c)*.

“**Warrants**” means, collectively, the Series 2013-A Warrants, the Series 2013-B Warrants, the Series 2013-C Warrants, the Series 2013-D Warrants, the Series 2013-E Warrants, and the Series 2013-F Warrants issued pursuant to this Indenture.

SECTION 1.2 General Rules of Construction

For all purposes of this 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.

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 for Performance

Except as otherwise expressly provided herein, any reference in this Indenture to the time of day means (i) if the Book Entry System is in effect, the time of day in the city where DTC maintains its place of business for the performance of its obligations under the Book Entry System or (ii) if the Book Entry System is no longer in effect, the time of day in the city where the Trustee maintains its place of business for the performance of its obligations under this Indenture.

ARTICLE 2

Source of Payment

SECTION 2.1 Limited Source of Payment of Secured Obligations

The Secured Obligations and any other payment obligations under this Indenture are limited obligations of the Issuer payable solely out of the Trust Estate. The Secured Obligations and any other payment obligations under this Indenture shall not constitute or give rise to a general indebtedness or liability of, and shall not constitute a charge against the general credit or taxing powers of, the Issuer. The State shall have no liability whatsoever to make any payment under this Indenture.

SECTION 2.2 Officials, Officers and Employees of the Issuer Exempt from Individual Liability

No recourse under or upon any covenant or agreement of this Indenture, or of any Secured Obligations, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 Indenture and the Secured Obligations issued hereunder are solely the limited obligations of the Issuer, and that no personal or pecuniary liability whatsoever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Secured Obligations, or under or by reason of the covenants or agreements contained in this Indenture or in any Secured Obligations or implied therefrom. The provisions of this *Section 2.2* are not intended to preclude the enforcement of remedies provided for in *Article 11* against the Trust Estate secured by this Indenture.

ARTICLE 3

Security for Payment

SECTION 3.1 Pledge and Assignment

(a) **General Trust Estate for Benefit of all Secured Obligations.** To secure the payment of Debt Service on the Secured Obligations and the performance of the covenants contained in this Indenture that are for the benefit of all Secured Obligations, and in consideration of the premises and of the purchase of the Secured Obligations by the Holders thereof, the Issuer hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the following property:

- (1) **System Revenues.** All right, title and interest of the Issuer in and to the System Revenues and all rights to receive the same.
- (2) **General Indenture Funds.** Money and investments from time to time on deposit in, or forming a part of, the following Indenture Funds: the Revenue Fund, the Operating Account, the Costs of Issuance Fund and the Capital Improvement Fund (collectively, the "General Indenture Funds").

(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 meaning assigned to them, and all computations herein provided for shall be made, in accordance with generally accepted accounting principles applicable to the Issuer. All references herein to "generally accepted accounting principles," refer to such principles as they exist as of 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 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 Effect of Action by Holders of Secured Obligations

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

SECTION 1.4 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 1.5 Date of Indenture

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

SECTION 1.6 Separability Clause

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

SECTION 1.7 Governing Law

This Indenture shall be construed in accordance with and governed by the laws of the State. The provisions of this Indenture, all covenants contained herein, and all actions to be taken hereunder shall be subject to the laws of the State.

(3) **Other Property.** Any and all property of every kind or description which may, from time to time hereafter, by delivery or by writing of any kind, be specifically subjected to the lien of this Indenture as additional security for the Secured Obligations by the Issuer or anyone on its part or with its consent, or which pursuant to any of the provisions hereof may come into the possession or control of the Trustee or a receiver appointed pursuant to this Indenture. The Trustee is hereby authorized to receive any and all such property as and for additional security for the obligations secured hereby and to hold and apply all such property subject to the terms hereof.

To Have and to Hold all such property, rights and privileges (collectively referred to as the "General Trust Estate") unto the Trustee and its successors and assigns.

But in Trust Nevertheless, for the benefit and security of the Holders from time to time of all Secured Obligations without any priority of any such Senior Lien Obligation over any other Senior Lien Obligation, and (subject to the priority of Senior Lien Obligations over Subordinate Lien Obligations) without any priority of any Subordinate Lien Obligation over any other Subordinate Lien Obligation.

Provided, However, that (i) Holders of Senior Lien Obligations have a first priority lien with respect to right of payment from the General Trust Estate, (ii) Holders of Subordinate Lien Obligations have a second priority lien with respect to right of payment from the General Trust Estate, (iii) money and investments in the General Indenture Funds may be applied for the purposes and on the terms and conditions set forth in this Indenture, and (iv) the lien of the General Trust Estate in favor of Secured Obligations is subject to the provisions of **Section 12.7(b)**.

(b) **Trust Estate for Benefit of the Series 2013 Senior Lien Obligations.** To secure the payment of Debt Service on the Series 2013 Senior Lien Obligations and the performance of the covenants contained in this Indenture that are for the benefit of the Series 2013 Senior Lien Obligations, and in consideration of the premises and of the purchase of the Series 2013 Senior Lien Obligations by the Holders thereof, the Issuer hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the Series 2013 Senior Lien Debt Service Fund and the Series 2013 Senior Lien Reserve Fund (the Series 2013 Senior Lien Debt Service Fund and the Series 2013 Senior Lien Reserve Fund being sometimes collectively referred to herein as the "Series 2013 Senior Lien Indenture Funds").

To Have and to Hold all such property, rights and privileges (collectively referred to as the "Series 2013 Senior Lien Trust Estate") unto the Trustee and its successors and assigns.

But in Trust Nevertheless, for the equal and proportionate benefit and security of the Holders from time to time of the Series 2013 Senior Lien Obligations (without any priority of any such Series 2013 Senior Lien Obligation over any other Series 2013 Senior Lien Obligation).

Provided, However, that money and investments in the Series 2013 Senior Lien Indenture Funds may be applied for the purposes and on the terms and conditions set forth in this Indenture.

(c) **Trust Estate for Benefit of the Series 2013 Subordinate Lien Obligations.** To secure the payment of Debt Service on the Series 2013 Subordinate Lien Obligations and the performance of the covenants contained in this Indenture that are for the benefit of the Series 2013 Subordinate Lien Obligations, and in consideration of the premises and of the purchase of the Series 2013 Subordinate Lien Obligations by the Holders thereof, the Issuer hereby pledges and assigns to the Trustee, and grants to the Trustee a security interest in, the Series 2013 Subordinate Lien Debt Service Fund and the Series 2013 Subordinate Lien Reserve Fund (the Series 2013 Subordinate Lien Debt Service Fund and the Series 2013 Subordinate Lien Reserve Fund being sometimes collectively referred to herein as the "Series 2013 Subordinate Lien Indenture Funds").

To Have and to Hold all such property, rights and privileges (collectively referred to as the "Series 2013 Subordinate Lien Trust Estate") unto the Trustee and its successors and assigns.

But in Trust Nevertheless, for the equal and proportionate benefit and security of the Holders from time to time of the Series 2013 Subordinate Lien Obligations (without any priority of any such Series 2013 Subordinate Lien Obligation over any other Series 2013 Subordinate Lien Obligation).

Provided, However, that money and investments in the Series 2013 Subordinate Lien Indenture Funds may be applied for the purposes and on the terms and conditions set forth in this Indenture.

(d) **Sewer Tax Proceeds.** For the avoidance of doubt, Sewer Tax Proceeds shall not be part of, subject to the lien of, or in any way pledged to the Trust Estate.

ARTICLE 4

Registration, Transfer, Exchange and Payment of the Warrants

SECTION 4.1 The Book Entry System for the Warrants

(a) The ownership, transfer, exchange and payment of Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to **Section 4.1(c)**.

(b) Except as otherwise expressly provided in this Indenture, while Warrants are in the Book Entry System the following provisions shall apply:

(1) In order to facilitate the Book Entry System, a physical certificate or physical certificates for the Warrants shall be executed and authenticated, registered in the Warrant Register in the name of DTC or its nominee, and delivered to DTC for safekeeping (including safekeeping by the Trustee pursuant to the "FAST" system or other procedures of the Book Entry System).

(2) The term "Warrant" means each separate security credited to a beneficial owner, or entitlement holder, pursuant to the Book Entry System, and the term "Holder" means the person identified pursuant to the Book Entry System as the beneficial owner of the related security.

(3) The terms and limitations of this Indenture with respect to each separate Warrant shall be applicable to each separate security credited to a beneficial owner under the Book Entry System.

(4) All payments of Debt Service on the Warrants shall be made by the Trustee through the Book Entry System, and payments by such method shall be valid and effective fully to satisfy and discharge the Issuer's obligations with respect to such payments.

(5) Transfers and exchanges of Warrants shall be reflected on the records of DTC in accordance with the Book Entry System.

(6) No service charge shall be made for any transfer or exchange of Warrants, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Warrants.

(7) Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder, and such Defaulted Interest shall be paid by the Issuer to the persons in whose names such Warrants are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee of the amount of Defaulted Interest proposed to be paid on each Warrant and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided and not to be deemed part of the Trust

Estate. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given pursuant to the Book Entry System to each Holder as listed in the Warrant Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been given as aforesaid payment of such Defaulted Interest shall be made through the Book Entry System.

(8) Subject to the foregoing provisions of this Section, each Warrant delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Warrant shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Warrant and each such Warrant shall bear interest from such date so that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(c) The Trustee shall discontinue the Book Entry System at the request of the Issuer. The Trustee may terminate the Book Entry System without direction from, or consent of, the Issuer if the Trustee determines in good faith that termination is in the best interest of the Holders. Notice of termination of the Book Entry System shall be given to Holders not less than 20 days before such termination is effective.

(d) If the Book Entry System is discontinued, (i) a physical certificate or physical certificates shall be executed, authenticated and delivered to each beneficial owner, or entitlement holder, under the Book Entry System in accordance with such holder's ownership of Warrants, (ii) such certificates shall be registered in the Warrant Register maintained by the Trustee, and (iii) the remaining provisions of this Article shall govern the registration, transfer, exchange and payment of Warrants.

SECTION 4.2 Alternate Provisions Regarding Payment, Registration, Transfer and Exchange of Warrants

(a) If the Book Entry System is discontinued, the provisions of this Section shall control the registration, transfer, exchange and payment of Warrants.

(b) Payment of Debt Service on the Warrants shall be made as follows:

(1) Payment of interest on the Warrants which is due on any Interest Payment Date shall be made by check or draft mailed by the Trustee to the persons entitled thereto at their addresses appearing in the Warrant Register. Such payments of interest shall be deemed timely made if so mailed on the Interest Payment Date (or, if such Interest Payment Date is not a Business Day, on the Business Day next following such Interest Payment Date).

(2) Payment of the principal of (and premium, if any, on) the Warrants and payment of accrued or accreted interest on the Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender thereof at the Office of the Trustee.

(3) Upon the written request of any Holder, the Trustee shall make payments of Debt Service by wire transfer, provided that (i) such request contains adequate instructions for the method of payment, and (ii) payment of the principal of (and redemption premium, if any, on) such Warrants and payment of the accrued interest on such Warrants due upon redemption on any date other than an Interest Payment Date shall be made only upon surrender of such Warrants to the Trustee.

(c) Subject to such reasonable regulations as it may prescribe, the Issuer shall provide for the registration of Warrants and registration of transfers of Warrants entitled to be registered or transferred as herein provided in the Warrant Register.

(d) Upon surrender for transfer of any Warrant at the Office of the Trustee, the Issuer shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Warrants of the same Tenor, of any Authorized Denominations and of a like aggregate principal amount.

(e) At the option of the Holder, Warrants may be exchanged for other Warrants of the same Tenor, of any Authorized Denominations and of a like aggregate principal amount, upon surrender of the Warrants to be exchanged at the Office of the Trustee. Whenever any Warrants are so surrendered for exchange, the Issuer shall execute, and the Trustee shall authenticate and deliver, the Warrants which the Holder making the exchange is entitled to receive.

(f) Subject to **Section 7.9**, all Warrants surrendered for payment or redemption (after the payment or redemption thereof) or for transfer or exchange, shall be promptly cancelled by the Trustee. The Trustee may destroy cancelled certificates. No Warrant shall be authenticated in lieu of or in exchange for any Warrant cancelled as provided in this Section, except as expressly provided by this Indenture.

(g) All Warrants issued upon any transfer or exchange of Warrants shall be the valid obligations of the Issuer and entitled to the same security and benefits under this Indenture as the Warrants surrendered upon such transfer or exchange.

(h) Every Warrant presented or surrendered for transfer or exchange shall contain, or be accompanied by, all necessary endorsements for transfer.

(i) No service charge shall be made for any transfer or exchange of Warrants, but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Warrants.

(j) The Issuer shall not be required (i) to transfer or exchange any Warrant during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Warrants and ending at the close of business on the day of such mailing, or (ii) to transfer or exchange any Warrant so selected for redemption in whole or in part.

(k) Interest on any Warrant which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name that Warrant is registered at the close of business on the Regular Record Date for such Interest Payment Date.

(l) Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose names such Warrants are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Issuer shall notify the Trustee of the amount of Defaulted Interest proposed to be paid on each Warrant and the date of the proposed payment (which date shall be such as will enable the Trustee to comply with the next sentence hereof), and at the same time the Issuer shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this subsection provided and not to be deemed part of the Trust Estate. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Issuer of such Special Record Date and, in the name and at the expense of the Issuer, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder at his address as it appears in the Warrant Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the Warrants are registered on such Special Record Date.

(m) Subject to the foregoing provisions of this Section, each Warrant delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Warrant shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Warrant and each such Warrant shall bear interest from such date that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

(n) In the event any Warrant is mutilated, lost, stolen or destroyed, the Issuer may execute, and the Trustee shall thereupon authenticate and deliver, a replacement Warrant of like Tenor as that mutilated, lost, stolen or destroyed; provided that (a) in the case of any such mutilated Warrant, such Warrant is first surrendered to the Trustee, and (b) in the case of any such lost, stolen or destroyed Warrant, there is first furnished to the Issuer and the Trustee evidence of such loss, theft or destruction satisfactory to the Issuer and the Trustee, together with indemnity satisfactory to each of them. The Issuer may charge the Holder with the expense of issuing any such replacement Warrant.

SECTION 4.3 Persons Deemed Owners

The Holder of a Warrant shall be treated as the owner of such Secured Obligation for purposes of this Indenture.

SECTION 4.4 Trustee as Paying Agent and Registrar

Debt Service on the Warrants shall be payable on behalf of the Issuer by the Trustee, which is hereby designated as the paying agent of the Issuer for purposes of this Indenture. The Trustee is hereby appointed as agent of the Issuer solely for the purpose of registering Warrants and transfers of Warrants as provided in this Indenture.

SECTION 4.5 Payments Due on Non-Business Days

Except as otherwise expressly provided by this Indenture, if any payment on the Warrants is due on a day which is not a Business Day, such payment may be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

ARTICLE 5

Specific Terms for Warrants and Disposition of Proceeds

SECTION 5.1 Specific Title and Terms of Series 2013-A Warrants

(a) **Title, Amount and Lien Status.** The first series of Warrants issued hereunder shall be issued as Current Interest Obligations and shall be entitled "Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A." The Series 2013-A Warrants shall be issued in the aggregate principal amount of [\$A amount]. The Series 2013-A Warrants shall be issued as Senior Lien Obligations.

(b) **Authorized Denominations.** The Series 2013-A Warrants shall be in Authorized Denominations.

(c) **Form and Number.** The Series 2013-A Warrants shall be issuable as registered warrants without coupons. The Series 2013-A Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single Series 2013-A Warrant certificate for all Series 2013-A Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-A Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.1(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Maturity Dates and Interest Rates.** The Series 2013-A Warrants shall be issued with fixed interest rates and shall mature on _____ 1 in the years and principal amounts as follows:

Year of Maturity (_____ 1)

Principal Amount Maturing

Applicable Interest Rate

Initial CUSIP Number

(e) **Date.** The Series 2013-A Warrants shall be dated as of the date of initial delivery of the Warrants.

(f) **Interest Payment Dates.** Interest on the Series 2013-A Warrants shall be payable in arrears on _____ 1 and _____ 1 in each year, beginning on _____ 1, 2014, and (ii) the Maturity Date.

(g) **Person to Whom Interest Payable.** If the Book Entry System is in effect, the Trustee shall pay interest to DTC, and interest payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date for the Series 2013-A Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Interest Payment Date.

(h) **Computation of Interest Accrual.** The Series 2013-A Warrants shall bear interest from their date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in this Section. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(i) **Interest on Overdue Payments.** Interest shall be payable on overdue principal of the Series 2013-A Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-A Warrants at the Post-Default Rate.

(j) **Execution and Authentication.** Physical certificates evidencing the Series 2013-A Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk. The signature of either of these officers on the Series 2013-A Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-A Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-A Warrants. No Series 2013-A Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Series 2013-A Warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-A Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-A Warrant has been duly authenticated and delivered hereunder.

(k) **Currency for Payment.** Payment of Debt Service on the Series 2013-A Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.2 Specific Title and Terms of Series 2013-B Warrants

(a) **Title, Amount and Lien Status.** The second series of warrants issued hereunder shall be issued as Capital Appreciation Obligations and shall be entitled "Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B". The maximum Accreted Value of the Series 2013-B Warrants which may be Outstanding is limited to [SAmount]. The Series 2013-B Warrants shall be issued as Senior Lien Obligations.

(b) **Initial Principal Amount.** The Initial Principal Amount of the Series 2013-B Warrants shall be \$ _____.

(c) **Form and Number; Authorized Denominations.** The Series 2013-B Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2013-B Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single physical certificate for all Series 2013-B Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-B Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.2(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Date.** The Series 2013-B Warrants shall be dated as of the date of initial delivery of the Warrants. The Compounding Dates applicable to the Series 2013-B Warrants shall be [_____] 1, 2014].

(e) **Accretion of Interest.** The Series 2013-B Warrants are payable only at maturity or upon optional redemption and will not pay interest on a current basis. The Series 2013-B Warrants shall accrete from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Maturity Date or earlier redemption at the effective per annum rate required to produce the yield to maturity indicated below:

| Year of Maturity (_____) 1 | Initial Principal Amount | Yield to Maturity | [Accreted Value of \$5,000 at Maturity] | Initial CUSIP Number |
|-------------------------------|--------------------------|-------------------|---|----------------------|
|-------------------------------|--------------------------|-------------------|---|----------------------|

Calculation of accretion on the Series 2013-B Warrants shall be performed on the basis of a 360-day year with 12 months of 30 days each. [A schedule of compound accreted values at six month intervals for each maturity of the Series 2013-B Warrants from issuance to the applicable Maturity Date is set forth in *Exhibit 5.2(e)*.] Accretion between such dates shall be determined using linear interpolation.

(f) **Person to Whom Accreted Value Payable.** If the Book Entry System is in effect, the Trustee shall pay the Accreted Value on the Series 2013-B Warrants due on the Maturity Date or earlier redemption to DTC, and the Accreted Value of the Series 2013-B Warrants shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the Accreted Value due on the Maturity Date or earlier redemption for the Series 2013-B Warrants shall be payable to the Holders of such Series 2013-B Warrants on the date of payment of the Series 2013-B Warrants.

(g) **Interest on Overdue Payments.** Interest shall be payable on overdue Accreted Value of the Series 2013-B Warrants at the Post-Default Rate.

(h) **Execution and Authentication.** Physical certificates evidencing the Series 2013-B Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk. The signature of either of these officers on the Series 2013-B Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-B Warrants bearing the manual

or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-B Warrants. No Series 2013-B Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-B Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-B Warrant has been duly authenticated and delivered hereunder.

(i) **Currency for Payment.** Payment of Debt Service on the Series 2013-B Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.3 Specific Title and Terms of Series 2013-C Warrants

(a) **Title, Amount and Lien Status.** The third series of warrants issued hereunder shall be issued as Convertible Capital Appreciation Obligations and shall be entitled "Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C". The aggregate principal amount of the Series 2013-C Warrants which may be Outstanding is limited to [SAmount]. The Series 2013-C Warrants shall be issued as Senior Lien Obligations.

(b) **Initial Principal Amount.** The Initial Principal Amount of the Series 2013-C Warrants shall be \$ _____.

(c) **Form and Number; Authorized Denominations.** The Series 2013-C Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2013-C Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single physical certificate for all Series 2013-C Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-C Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.3(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Dates.** The Series 2013-C Warrants shall be dated as of the date of initial delivery of the Warrants. The Compounding Dates applicable to the Series 2013-C Warrants shall be [_____] 1, and [_____] 1 of each year, commencing [_____] 1, 2014]. The Current Interest Commencement Date applicable to the Series 2013-C Warrants shall be _____, 2023.

(e) **Accretion of Interest.** Prior to the Current Interest Commencement Date, the Series 2013-C Warrants will not pay interest on a current basis. The Series 2013-C Warrants shall accrete from and including the date of initial delivery, compounded semiannually on each Compounding Date, until, but not including, the Current Interest Commencement Date at the effective per annum rate required to produce the yield and Accreted Value indicated below:

| Year of Maturity (_____) 1 | Initial Principal Amount | Yield to Current Interest Commencement Date | Accreted Value on Current Interest Commencement Date | Initial CUSIP Number |
|-------------------------------|--------------------------|---|--|----------------------|
|-------------------------------|--------------------------|---|--|----------------------|

Calculation of accretion on the Series 2013-C Warrants shall be performed on the basis of a 360-day year consisting of 12 consecutive 30-day months. [A schedule of compound accreted values at six month intervals for each maturity

of the Series 2013-C Warrants from issuance to the Current Interest Commencement Date is set forth in *Exhibit 5.3(e)*. Accretion between such dates shall be determined using linear interpolation.

(f) **Conversion from Accretion to Current Interest Rate Accrual.** On the Current Interest Commencement Date, the Accreted Value of the Series 2013-C Warrants shall be fixed as the principal amount of such Warrants, and the Series 2013-C Warrants shall not accrete in value from such date. On and after the Current Interest Commencement Date, principal of and interest on the Series 2013-C Warrants shall be paid currently in accordance with the schedule contained in *Section 5.3(g)* on the dates specified in *Section 5.3(f)*.

(g) **Maturity Dates and Interest Rates.** From the Current Interest Commencement Date, the Series 2013-C Warrants shall bear interest at fixed interest rates and shall mature on [] in the years and amounts and bear interest at the rates per annum as follows:

| Year of Maturity () I | Principal Amount Maturing | Initial CUSIP Number | Applicable Interest Rate |
|---------------------------|---------------------------------|----------------------------|-----------------------------|
|---------------------------|---------------------------------|----------------------------|-----------------------------|

(h) **Interest Payment Dates.** From the Current Interest Commencement Date, interest on the Series 2013-C Warrants shall be payable in arrears on (i) [] and [] in each year, beginning on [], 2014, and (ii) the Maturity Date.

(i) **Person to Whom Interest Payable.** From and after the Current Interest Commencement Date, if the Book Entry System is in effect, the Trustee shall pay interest to DTC, and interest payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date for the Series 2013-C Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Interest Payment Date.

(j) **Computation of Interest Accrual.** On and after the Current Interest Commencement Date, the Series 2013-C Warrants shall bear interest from the Current Interest Commencement Date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in *Section 5.3(g)* above. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(k) **Interest on Overdue Payments.** Prior to the Current Interest Commencement Date, interest shall be payable on overdue Accreted Value of the Series 2013-C Warrants at the Post-Default Rate. From and after the Current Interest Commencement Date, interest shall be payable on overdue principal of the Series 2013-C Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-C Warrants at the Post-Default Rate.

(l) **Execution and Authentication.** Physical certificates evidencing the Series 2013-C Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk. The signature of any of these officers on the Series 2013-C Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-C Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-C Warrants. No Series 2013-C Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-C Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-C Warrant has been duly authenticated and delivered hereunder.

(m) **Currency for Payment.** Payment of Debt Service on the Series 2013-C Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.4 Specific Title and Terms of Series 2013-D Warrants

(a) **Title, Amount and Lien Status.** The fourth series of Warrants issued hereunder shall be issued as Current Interest Obligations and shall be entitled "Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D". The Series 2013-D Warrants shall be issued in the aggregate principal amount of [\$Amount]. The Series 2013-D Warrants shall be issued as Subordinate Lien Obligations.

(b) **Authorized Denominations.** The Series 2013-D Warrants shall be in Authorized Denominations.

(c) **Form and Number.** The Series 2013-D Warrants shall be issuable as registered warrants without coupons. The Series 2013-D Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single Series 2013-D Warrant certificate for all Series 2013-D Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-D Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.4(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Maturity Dates and Interest Rates.** The Series 2013-D Warrants shall be issued with fixed interest rates and shall mature on [] in the years and principal amounts as follows:

| Year of Maturity () I | Principal Amount Maturing | Initial CUSIP Number | Applicable Interest Rate |
|------------------------------|---------------------------------|----------------------------|--------------------------------|
|------------------------------|---------------------------------|----------------------------|--------------------------------|

(e) **Date.** The Series 2013-D Warrants shall be dated as of the date of initial delivery of the Warrants.

(f) **Interest Payment Dates.** Interest on the Series 2013-D Warrants shall be payable in arrears on (i) [] and [] in each year, beginning on [] 1, 2014, and (ii) the Maturity Date.

(g) **Person to Whom Interest Payable.** If the Book Entry System is in effect, the Trustee shall pay interest to DTC, and interest payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date for the Series 2013-D Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Interest Payment Date.

(h) **Computation of Interest Accrual.** The Series 2013-D Warrants shall bear interest from their date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in this Section. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(i) **Interest on Overdue Payments.** Interest shall be payable on overdue principal on the Series 2013-D Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-D Warrants at the Post-Default Rate.

(j) **Execution and Authentication.** Physical certificates evidencing the Series 2013-D Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk. The signature of either of these officers on the Series 2013-D Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-D Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-D Warrants. No Series 2013-D Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such Series 2013-D Warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-D Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-D Warrant has been duly authenticated and delivered hereunder.

(k) **Currency for Payment.** Payment of Debt Service on the Series 2013-D Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.5 Specific Title and Terms of Series 2013-E Warrants

(a) **Title, Amount and Lien Status.** The fifth series of warrants issued hereunder shall be issued as Capital Appreciation Obligations and shall be entitled "Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E". The maximum Accreted Value of the Series 2013-E Warrants which may be Outstanding is limited to [\$Amount]. The Series 2013-E Warrants shall be issued as Subordinate Lien Obligations.

(b) **Initial Principal Amount.** The Initial Principal Amount of the Series 2013-E Warrants shall be \$_____.

(c) **Form and Number; Authorized Denominations.** The Series 2013-E Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2013-E Warrants shall be numbered separately from 1 upward. In order to facilitate the Book Entry System, a single physical certificate for all Series 2013-E Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-E Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.5(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Date.** The Series 2013-E Warrants shall be dated as of the date of initial delivery of the Warrants. The Compounding Dates applicable to the Series 2013-E Warrants shall be [_____] and [_____] of each year, commencing [_____] 1, 2014].

(e) **Accretion of Interest.** The Series 2013-E Warrants are payable only at maturity or upon optional redemption and will not pay interest on a current basis. The Series 2013-E Warrants shall accrete from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Maturity Date or earlier redemption at the effective per annum rate required to produce the yield to maturity indicated below:

| Year of Maturity (_____) 1 | Initial Principal Amount | Yield to Maturity | [Accreted Value of \$,000 at Maturity] | Initial CUSIP Number |
|----------------------------|--------------------------|-------------------|--|----------------------|
|----------------------------|--------------------------|-------------------|--|----------------------|

Calculation of accretion on the Series 2013-E Warrants shall be performed on the basis of a 360-day year with 12 months of 30 days each. [A schedule of compound accreted values at six month intervals for each maturity of the Series 2013-E Warrants from issuance to the applicable Maturity Date is set forth in *Exhibit 5.5(e)*.] Accretion between such dates shall be determined using linear interpolation.

(f) **Person to Whom Accreted Value Payable.** If the Book Entry System is in effect, the Trustee shall pay the Accreted Value on the Series 2013-E Warrants due on the Maturity Date or earlier redemption to DTC, and the Accreted Value of the Series 2013-E Warrants shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the Accreted Value due on the Maturity Date or earlier redemption for the Series 2013-E Warrants shall be payable to the Holders of such Series 2013-E Warrants on the date of payment of the Series 2013-E Warrants.

(g) **Interest on Overdue Payments.** Interest shall be payable on overdue Accreted Value of the Series 2013-E Warrants at the Post-Default Rate.

(h) **Execution and Authentication.** Physical certificates evidencing the Series 2013-E Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk. The signature of either of these officers on the Series 2013-E Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-E Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-E Warrants. No Series 2013-E Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-E Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-E Warrant has been duly authenticated and delivered hereunder.

(i) **Currency for Payment.** Payment of Debt Service on the Series 2013-E Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.6 Specific Title and Terms of Series 2013-F Warrants

(a) **Title, Amount and Lien Status.** The sixth series of warrants issued hereunder shall be issued as Convertible Capital Appreciation Obligations and shall be entitled "Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F". The aggregate principal amount of the Series 2013-F Warrants which may be Outstanding is limited to [\$Amount]. The Series 2013-F Warrants shall be issued as Subordinate Lien Obligations.

(b) **Initial Principal Amount.** The Initial Principal Amount of the Series 2013-F Warrants shall be \$_____.

(c) **Form and Number; Authorized Denominations.** The Series 2013-F Warrants shall be issuable as registered warrants without coupons in Authorized Denominations. The Series 2013-F Warrants shall be

numbered separately from 1 upward. In order to facilitate the Book Entry System, a single physical certificate for all Series 2013-F Warrants of the same Tenor shall be delivered to the Trustee. The Series 2013-F Warrants and the certificate of authentication shall be substantially as set forth in *Exhibit 5.6(c)*, with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture.

(d) **Dates.** The Series 2013-F Warrants shall be dated as of the date of initial delivery of the Warrants. The Compounding Dates applicable to the Series 2013-F Warrants shall be [] and [] of each year, commencing [] 1, 2014]. The Current Interest Commencement Date applicable to the Series 2013-F Warrants shall be _____, 2023.

(e) **Accretion of Interest.** Prior to the Current Interest Commencement Date, the Series 2013-F Warrants will not pay interest on a current basis. The Series 2013-F Warrants shall accrete from and including the date of initial delivery, compounded semiannually on each Compounding Date, until, but not including, the Current Interest Commencement Date at the effective per annum rate required to produce the yield and Accreted Value indicated below:

| Year of Maturity (_____ 1) | Initial Principal Amount | Yield to Current Interest Commencement Date | Accreted Value on Current Interest Commencement Date | Initial CUSIP Number |
|-------------------------------|--------------------------|---|--|----------------------|
|-------------------------------|--------------------------|---|--|----------------------|

Calculation of accretion on the Series 2013-F Warrants shall be performed on the basis of a 360-day year consisting of 12 consecutive 30-day months. [A schedule of compound accreted values at six month intervals for each maturity of the Series 2013-F Warrants from issuance to the Current Interest Commencement Date is set forth in *Exhibit 5.6(e)*.] Accretion between such dates shall be determined using linear interpolation.

(f) **Conversion from Accretion to Current Interest Rate Accrual.** On the Current Interest Commencement Date, the Accreted Value of the Series 2013-F Warrants shall be fixed as the principal amount of such Warrants, and the Series 2013-F Warrants shall not accrete in value from such date. On and after the Current Interest Commencement Date, principal of and interest on the Series 2013-F Warrants shall be paid currently in accordance with the schedule contained in *Section 5.6(g)* on the dates specified in *Section 5.6(f)*.

(g) **Maturity Dates and Interest Rates.** From the Current Interest Commencement Date, the Series 2013-F Warrants shall bear interest at fixed interest rates and shall mature on [] in the years and amounts and bear interest at the rates per annum as follows:

| Year of Maturity (_____ 1) | Principal Amount Maturing | Initial CUSIP Number | Applicable Interest Rate |
|-------------------------------|---------------------------|----------------------|--------------------------|
|-------------------------------|---------------------------|----------------------|--------------------------|

(h) **Interest Payment Dates.** From the Current Interest Commencement Date, interest on the Series 2013-F Warrants shall be payable in arrears on (i) [] and [] in each year, beginning on [], 2014], and (ii) the Maturity Date.

(i) **Person to Whom Interest Payable.** From and after the Current Interest Commencement Date, if the Book Entry System is in effect, the Trustee shall pay interest to DTC, and interest payments shall be distributed by DTC to Holders in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date for the Series 2013-F Warrants shall be payable to Holders as of the Regular Record Date or any Special Record Date for such Interest Payment Date.

(j) **Computation of Interest Accrual.** On and after the Current Interest Commencement Date, the Series 2013-F Warrants shall bear interest from the Current Interest Commencement Date, or the most recent date to which interest has been paid or duly provided for, at the applicable rate per annum set forth in *Section 5.6(g)* above. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each.

(k) **Interest on Overdue Payments.** Prior to the Current Interest Commencement Date, interest shall be payable on overdue Accreted Value of the Series 2013-F Warrants at the Post-Default Rate. From and after the Current Interest Commencement Date, interest shall be payable on overdue principal of the Series 2013-F Warrants and (to the extent legally enforceable) on any overdue installment of interest on the Series 2013-F Warrants at the Post-Default Rate.

(l) **Execution and Authentication.** Physical certificates evidencing the Series 2013-F Warrants shall be executed on behalf of the Issuer by the President of the Commission under its official seal reproduced or impressed thereon and attested by its Minute Clerk. The signature of any of these officers on the Series 2013-F Warrants may be manual or, to the extent permitted by law, facsimile. Series 2013-F Warrants bearing the manual or facsimile signatures of individuals who, at the time of issuance or later, were the proper officers of the Issuer shall bind the Issuer, notwithstanding the fact that such individuals or any of them shall have ceased to hold such offices prior to the authentication and delivery of such Series 2013-F Warrants. No Series 2013-F Warrant shall be secured by, or be entitled to any lien, right or benefit under, this Indenture or be valid or obligatory for any purpose, unless there appears on such warrant a certificate of authentication substantially in the form provided for herein, executed by the Trustee by manual signature, and such certificate upon any Series 2013-F Warrant shall be conclusive evidence, and the only evidence, that such Series 2013-F Warrant has been duly authenticated and delivered hereunder.

(m) **Currency for Payment.** Payment of Debt Service on the Series 2013-F Warrants shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

SECTION 5.7 Proceeds From Sale of Warrants

(a) The proceeds from the sale of the Warrants to the original purchaser or purchasers thereof shall be deposited initially into the Series 2013 Clearing Account and shall then be applied as follows:

- (1) *First*, the amounts to be used under the Confirmed Plan of Adjustment for the retirement or payment of past due debt service on the Retired Warrants shall be paid to the Retired Warrants Trustee.
- (2) *Second*, the amount necessary to pay the Series 2013 Insurer its premium for issuance of the Series 2013 Insurance Policy shall be paid to the Series 2013 Insurer.
- (3) *Third*, the remaining proceeds of the Warrants shall be deposited in the Costs of Issuance Fund.

(b) The amount of proceeds from each series of Warrants to be applied to each purpose identified in this Section shall be specified by directions from an Authorized Issuer Representative delivered to the Trustee on the date of issuance of the Warrants.

(c) Funds received from the Retired Warrants Trustee pursuant to the Confirmed Plan of Adjustment shall be deposited initially into the Series 2013 Clearing Account and shall then be applied as specified by directions from an Authorized Issuer Representative delivered to the Trustee on the date of issuance of the Warrants.

Series 2013-A Term Warrants Maturing in [Year 1]

Redemption Date (_____) 1) Principal Amount to be Redeemed

ARTICLE 6

Repurchases and Tenders

SECTION 6.1 No Optional Tender Rights for Holders

The Holders of the Warrants will not have the right or the obligation to tender Warrants for purchase by the Issuer.

SECTION 6.2 Purchase or Tender for Cancellation

(a) The Issuer may, at its sole option, purchase any Secured Obligations made available to it by whatever means, or solicit or make tender offer(s) for the purchase of any Secured Obligations, whether directly or through securities dealers. The Issuer may exercise this option with respect to all or less than all of a particular series or maturity of Secured Obligations and whether or not Secured Obligations which the Issuer may seek to acquire are subject to optional redemption. Any Secured Obligations so purchased may be delivered by the Issuer to the Trustee for cancellation, and upon such delivery and cancellation, shall no longer be Outstanding. The Issuer may exercise the option granted in this section through whatever means are legally available to the Issuer.

(b) Notwithstanding any provision of Section 6.2(a), so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, (1) the provisions of this Section shall be subject in all respects to Section 15.5, and (2) any Insured Series 2013 Warrants so purchased by the Issuer shall be delivered to the Trustee for cancellation.

ARTICLE 7

Redemption of Warrants

SECTION 7.1 Redemption Provisions

The Warrants shall be subject to redemption prior to maturity as follows:

(a) Optional Redemption of Series 2013-A Warrants. Any Series 2013-A Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to [_____] ([_____]%) of the principal amount of such Warrant redeemed) plus accrued interest thereon to the date of redemption.

(b) Scheduled Mandatory Redemption of Series 2013-A Term Warrants. The Series 2013-A Warrants maturing in [_____] and [_____] (collectively, the "Series 2013-A Term Warrants") shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on the dates and in the principal amounts (after credit as provided below) as follows:

Series 2013-A Term Warrants Maturing in [Year 1]

Redemption Date (_____) 1) Principal Amount to be Redeemed

(maturity)

Not later than the date on which notice of scheduled mandatory redemption is to be given, the Trustee shall select affected Series 2013-A Term Warrants for redemption by lot; provided, however, that the Issuer may, at its discretion by timely notice delivered to the Trustee, direct that any or all of the following amounts be credited against the principal amount of Series 2013-A Term Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-A Term Warrants of such Tenor delivered by the Issuer to the Trustee for cancellation and not previously claimed as a credit; (ii) the principal amount of Series 2013-A Term Warrants of such Tenor previously redeemed (other than Series 2013-A Term Warrants of such Tenor redeemed pursuant to the scheduled mandatory redemption requirement) and not previously claimed as a credit; and (iii) the principal amount of Series 2013-A Term Warrants of such Tenor otherwise Defeased and not previously claimed as a credit.

(c) Optional Redemption of Series 2013-B Warrants. Any Series 2013-B Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to [_____] (%) of the Accreted Value of such Series 2013-B Warrant as of the date of redemption.

(d) Optional Redemption of Series 2013-C Warrants. Any Series 2013-C Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to [_____] ([_____]%) of the principal amount of such Warrant redeemed) plus accrued interest thereon to the date of redemption.

(e) Optional Redemption of Series 2013-D Warrants. Any Series 2013-D Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to [_____] ([_____]%) of the principal amount of such Warrant redeemed) plus accrued interest thereon to the date of redemption.

(f) Scheduled Mandatory Redemption of Series 2013-D Term Warrants. The Series 2013-D Warrants maturing in [_____] and [_____] (collectively, the "Series 2013-D Term Warrants") shall be redeemed, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest thereon to the redemption date, on the dates and in the principal amounts (after credit as provided below) as follows:

Series 2013-D Term Warrants Maturing in [Year 1]

| | |
|-----------------|---------------------------------|
| Redemption Date | Principal Amount to be Redeemed |
| (_____1) | |

(maturity)

Series 2013-D Term Warrants Maturing in [Year 2]

| | |
|-----------------|---------------------------------|
| Redemption Date | Principal Amount to be Redeemed |
| (_____1) | |

(maturity)

Not later than the date on which notice of scheduled mandatory redemption is to be given, the Trustee shall select affected Series 2013-D Term Warrants for redemption by lot, provided, however, that the Issuer may, at its discretion by timely notice delivered to the Trustee, direct that any or all of the following amounts be credited against the principal amount of Series 2013-D Term Warrants scheduled for redemption on such date: (i) the principal amount of Series 2013-D Term Warrants of such Tenor delivered by the Issuer to the Trustee for cancellation and not previously claimed as a credit; (ii) the principal amount of Series 2013-D Term Warrants of such Tenor previously redeemed (other than Series 2013-D Term Warrants of such Tenor redeemed pursuant to the scheduled mandatory redemption requirement) and not previously claimed as a credit; and (iii) the principal amount of Series 2013-D Term Warrants of such Tenor otherwise Defeased and not previously claimed as a credit.

(g) **Optional Redemption of Series 2013-E Warrants.** Any Series 2013-E Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to _____% of the Accreted Value of such Series 2013-E Warrant as of the date of redemption.

(h) **Optional Redemption of Series 2013-F Warrants.** Any Series 2013-F Warrant that matures after [December 1, 2023] may be redeemed at the option and direction of the Issuer in whole or in part on any Business Day on or after [December 1, 2023] at a redemption price equal to _____] (_____)% of the principal amount of such Warrant redeemed) plus accrued interest thereon to the date of redemption.

(i) **Limitation on Optional Redemption of Warrants.** Notwithstanding any provision of this Section, so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, the provisions of *Sections 7.1(a), (c), (d), (e), (g) and (h)* shall be subject in all respects to *Section 15.5*.

SECTION 7.2 Mandatory Redemption

Warrants shall be redeemed in accordance with the applicable mandatory redemption provisions without any direction from or consent by the Issuer. Unless the date fixed for such mandatory redemption is otherwise specified by this Indenture, the Trustee shall select the date for mandatory redemption, subject to the provisions of this Indenture with respect to the permitted period for such redemption.

SECTION 7.3 Election to Redeem

The election of the Issuer to exercise any right of optional redemption of the Warrants shall be authorized by resolution of the Commission and shall be evidenced by notice from an Authorized Issuer Representative to the Trustee at least three Business Days prior to the date when notice of the redemption must be given to Holders (unless a shorter notice is acceptable to the Trustee). An election to redeem shall specify (i) the principal amount or Accreted Value of Warrants to be redeemed (if less than all Warrants Outstanding are to be redeemed pursuant to such option), (ii) the Tenor of Warrants to be redeemed, (iii) the redemption date, and (iv) any conditions to such redemption specified in accordance with the provisions of *Section 7.5(d)*.

SECTION 7.4 Selection by Trustee of Warrants to be Redeemed

(a) Except as otherwise provided in the specific redemption provisions for the Warrants, if less than all Warrants Outstanding are to be redeemed, the principal amount or Accreted Value of Warrants of each Tenor to be redeemed may be specified by the Issuer by notice delivered to the Trustee not less than three Business Days prior to the date when the Trustee must give notice of the redemption to Holders (unless a shorter notice is acceptable to the Trustee), or, in the absence of timely receipt by the Trustee of such notice, shall be determined in accordance with the Book Entry System or, if the Book Entry System is no longer in effect, by lot or by such other method as the Trustee shall deem fair and appropriate; provided, however, that the principal amount or Accreted Value of Warrants of each Tenor to be redeemed may not be larger than the principal amount or Accreted Value of Warrants of such Tenor then eligible for redemption and may not be smaller than the smallest Authorized Denomination.

(b) Except as otherwise provided in the specific redemption provisions for the Warrants, if less than all Warrants with the same Tenor are to be redeemed, the particular Warrants of such Tenor to be redeemed shall be selected from the Outstanding Warrants of such Tenor then eligible for redemption in accordance with the Book Entry System or, if the Book Entry System is no longer in effect, by lot or by such other method as the Trustee shall deem fair and appropriate and which may provide for the selection for redemption of portions (in Authorized Denominations) of the principal or Accreted Value of Warrants of such Tenor of a denomination larger than the smallest Authorized Denomination.

(c) The Trustee shall promptly notify the Issuer of the Warrants selected for redemption and, in the case of any Warrant selected for partial redemption, the principal amount or Accreted Value thereof to be redeemed.

(d) For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Warrants shall relate, in the case of any Warrant redeemed or to be redeemed only in part, to the portion of the principal or Accreted Value of such Warrant which has been or is to be redeemed.

SECTION 7.5 Notice of Redemption

(a) Notice of redemption shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of DTC. If the Book Entry System is not in effect, notice of redemption shall be given to Holders by certified mail.

(b) All notices of redemption shall state:

- (1) the redemption date,

preceding the optional redemption date of written notice from the Issuer specifying that the Callable Warrants shall not be redeemed, but instead shall be purchased pursuant to this Section. If the Issuer desires to effect its right of purchase through a nominee, the written notice shall specify the Issuer's nominee and that the nominee is acting on behalf of the Issuer. Upon delivery of such notice from the Issuer, the Callable Warrants shall not be redeemed, but shall instead be subject to mandatory tender on the date that would have been the optional redemption date at a purchase price equal to the redemption price that would have been payable with respect to such Callable Warrants. The Issuer's option to purchase pursuant to this Section shall be effective whether or not the notice of optional redemption sent to Warrant holders indicates that the Issuer has exercised, or intends to exercise, such option. No further or additional notice to Warrant holders shall be required in connection with the purchase in lieu of redemption. The Callable Warrants purchased pursuant to this Section (i) shall not be cancelled or retired, but shall continue to be Outstanding, (ii) shall be delivered to, or as directed by, the Issuer, (iii) shall continue to bear interest or accrete value at the rate provided for in this Indenture, and (iv) may not be resold by the Issuer or its nominee without first delivering a Favorable Tax Opinion to the Trustee.

(b) Notwithstanding any provision of this *Section 7.9*, so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, (i) the provisions of this Section shall be subject in all respects to *Section 15.5*, and (2) any Callable Warrant that is an Insured Series 2013 Warrant shall be cancelled upon purchase.

ARTICLE 8

Additional Secured Obligations

SECTION 8.1 Authorization of Additional Secured Obligations

(a) The Issuer reserves the right to issue additional debt obligations secured by the General Trust Estate if (i) no Indenture Default exists and (ii) the Issuer complies with the terms and conditions of this Article. Such additional debt obligations shall be Secured Obligations.

(b) Contemporaneously with this Indenture, the Issuer has authorized for future issuance the Reserve Fund Warrants pursuant to the First Supplemental Indenture as additional Secured Obligations. Notwithstanding any provision of this Indenture to the contrary, the Reserve Fund Warrants shall not be subject to the provisions of *Sections 8.1(a)(i), 8.1(c), 8.2(a)(2), 8.2(a)(3)* and *8.2(a)(4)*.

(c) Notwithstanding any other provision of this *Article 8*, for so long as the Warrants are Outstanding, the Issuer may not issue additional Secured Obligations that are Senior Lien Obligations, unless both of the following provisions are satisfied:

(1) The additional Secured Obligations proposed to be issued as Senior Lien Obligations are issued for the purpose of refinancing existing Senior Lien Obligations; and

(2) The additional Secured Obligations proposed to be issued as Senior Lien Obligations do not provide for Debt Service Requirements in any Fiscal Year in which existing Senior Lien Obligations are Outstanding in amounts in excess of the existing Debt Service Requirements for the Senior Lien Obligations to be refinanced by the proposed additional Secured Obligations.

When the Warrants are no longer Outstanding, the provisions of this *Section 8.1(c)* shall no longer apply to the issuance of additional Secured Obligations.

SECTION 8.2 Conditions to Issuance of Additional Secured Obligations

(a) The Issuer must deliver the following documentation to the Trustee prior to the issuance of additional Secured Obligations:

(2) the redemption price,
 (3) the principal amount or Accreted Value of Warrants to be redeemed, and, if less than all Outstanding Warrants are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts or Accreted Values) of the Warrants to be redeemed,

(4) that on the redemption date the redemption price of each of the Warrants to be redeemed will become due and payable and that the interest thereon shall cease to accrete or accrete from and after said date, and

(5) any conditions to such redemption specified in accordance with the provisions of *Section 7.5(d)*.

(c) Notice of optional redemption shall be given by the Trustee on behalf of the Issuer unless the Issuer elects to give such notice itself. If the Issuer gives notice of optional redemption, it shall deliver a copy of such notice to the Trustee on the following Business Day. Notice of redemption of Warrants in accordance with the scheduled mandatory redemption provisions of the Warrants shall be given by the Trustee on behalf of the Issuer without any notice to, or consent of, the Issuer.

(d) A notice of optional redemption may state that the redemption of Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Warrants (or portions thereof) identified in such notice, and any Warrants surrendered on the specified redemption date shall be returned to the Holders of such Warrants.

SECTION 7.6 Deposit of Redemption Price

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

SECTION 7.7 Warrants Payable on Redemption Date

If notice of redemption is given and any conditions to such redemption specified pursuant to *Section 7.5(d)* are met, the Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Warrants shall cease to bear interest.

SECTION 7.8 Warrants Redeemed in Part

(a) If the Book Entry System is in effect, partial redemption of any Warrant shall be effected in accordance with the Book Entry System.

(b) If the Book Entry System has been terminated, any Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Warrant, without service charge, a new Warrant or Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount or Accreted Value equal to and in exchange for the unredeemed portion of the principal or Accreted Value of the Warrant surrendered.

SECTION 7.9 Purchase of Callable Warrants in Lieu of Redemption

(a) The Issuer shall have the option to purchase Callable Warrants in lieu of optional redemption either directly or through a nominee designated by the Issuer. If a Callable Warrant has been called for optional redemption, the Issuer may exercise its right of purchase by delivery to the Trustee on or prior to the Business Day

(1) **Supplemental Indenture.** The Issuer must deliver to the Trustee a Supplemental Indenture authorizing the issuance of additional Secured Obligations that meets each of the following requirements:

(A) The Supplemental Indenture shall be in the form of a supplement to this Indenture, and the Trustee under this Indenture must also be the trustee under the Supplemental Indenture. The Supplemental Indenture shall require that a certificate of authentication be included on each Secured Obligation, which shall be executed by the Trustee.

(B) The Supplemental Indenture shall designate the additional Secured Obligations as Senior Lien Obligations or Subordinate Lien Obligations. Such designation shall be noted on the certificate of authentication executed by the Trustee for such Secured Obligations. No Secured Obligations may be issued with a superior priority of lien to the Senior Lien Obligations hereunder.

(C) The Supplemental Indenture must provide the pricing terms of the Secured Obligations, including the principal amount, maturities, interest rates, principal and interest payment dates, and redemption or prepayment features. The Supplemental Indenture may also contain provisions for optional or mandatory tender for purchase and other provisions that are not contrary to, or prohibited by, the terms of this Indenture. The Supplemental Indenture may adopt by reference any portion of this Indenture relating to the form of the Secured Obligations, including provisions for transfer, exchange and payment, or may provide separate terms for such provisions.

(D) **Article II** of this Indenture shall control for all Secured Obligations.

(E) The Supplemental Indenture may provide for Credit Enhancement for the benefit of such Secured Obligations, but the rights of the provider of such Credit Enhancement shall be limited as provided in **Section 9.2** and **Section 16.5**.

(F) The Supplemental Indenture shall establish a Senior Lien Debt Service Fund for payment of Debt Service on Senior Lien Obligations authorized by such Supplemental Indenture and shall establish a Subordinate Lien Debt Service Fund for payment of Subordinate Lien Obligations authorized by such Supplemental Indenture. Deposits to any such Secured Obligation Debt Service Fund shall be subject to the terms and conditions of **Section 9.2(a)(1)** or **(3)**, as the case may be. Any such Secured Obligation Debt Service Funds shall be part of the Trust Estate that is for the sole benefit of the related Secured Obligations.

(G) The Supplemental Indenture may establish a Senior Lien Reserve Fund to secure payment of Debt Service on Senior Lien Obligations authorized by such Supplemental Indenture and may establish a Subordinate Lien Reserve Fund to secure payment of Subordinate Lien Obligations authorized by such Supplemental Indenture. The Issuer may make an initial deposit to any such Secured Obligation Reserve Funds from (i) proceeds of such Secured Obligations, (ii) money on deposit in the Capital Improvement Fund, or (iii) other funds legally available to the Issuer. The Supplemental Indenture may require monthly transfers from the Revenue Fund to such Secured Obligation Reserve Funds as necessary to accumulate, maintain or restore the required balance in such Secured Obligation Reserve Funds; provided, however, that (i) the required balance may not exceed 10% of the principal amount of such Secured Obligations (as specified in such Supplemental Indenture) and (ii) monthly deposits to accumulate, maintain or restore the required balance may not exceed 1/12 of the required balance.

(H) The Supplemental Indenture shall designate the Secured Obligation Debt Service Funds and any Secured Obligation Reserve Funds established for any such series of Secured Obligations as part of the Trust Estate that is for the sole benefit of such Secured Obligations.

(2) **Coverage Requirements.** Subject to **Section 8.1(b)**, the Issuer must demonstrate compliance with each of following three tests as provided in paragraphs (A), (B) and (C) of this **Section 8.2(a)(2)**:

(A) **Historical Compliance.** The Issuer shall deliver to the Trustee a certificate signed by an Authorized Issuer Representative and an Independent Certified Public Accountant containing (i) the actual amounts of Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service realized by the System in the most recent completed audited Fiscal Year, (ii) the actual Debt Service Requirements due and payable during such Fiscal Year on both Senior Lien Obligations and Subordinate Lien Obligations, and (iii) a calculation proving the resulting coverage ratios satisfy the Required Coverage Ratios.

(B) **Historical Pro Forma Test Assuming Issuance of Additional Secured Obligations.** The Issuer shall deliver to the Trustee a certificate signed by an Authorized Issuer Representative and an Independent Certified Public Accountant containing (i) the projected amounts of Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service realized by the System in the most recently completed audited Fiscal Year as modified by this paragraph, (ii) the projected Debt Service Requirements due and payable during such Fiscal Year on both then currently outstanding Senior Lien Obligations and Subordinate Lien Obligations and the additional Secured Obligations to be issued (as specified in this paragraph), and (iii) a calculation proving the resulting coverage ratios satisfy the Required Coverage Ratios. For purposes of the calculations required by clause (i) of this paragraph, if the Issuer adopted a revised schedule of rates and charges for System services after the beginning of the prior audited Fiscal Year (or during the then current Fiscal Year) that are in effect as of the date of calculation, the Issuer and the Independent Certified Public Accountant shall take such rates into account in computing Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service realized by the System as if such rates had actually been in effect for the entire prior audited Fiscal Year. For purposes of the calculations required by clause (ii) of this paragraph, the calculation of the Debt Service Requirements for the additional Secured Obligations to be issued shall be based upon the Debt Service Requirements for the first twelve months such additional Secured Obligations are outstanding.

(C) **Forecast Test.** The Issuer shall deliver to the Trustee a report of an Authorized Issuer Representative forecasting (i) the amounts of Net Income Available for Senior Lien Debt Service and Net Income Available for Subordinate Lien Debt Service expected to be realized by the System in the then current and each of the following four Fiscal Years, based on rates and charges for the System already adopted by the Issuer and in effect on the date of calculation, (ii) the projected Debt Service Requirements on both Senior Lien Obligations and Subordinate Lien Obligations in the then current and each of the following four Fiscal Years (taking into account the additional Secured Obligations to be issued), and (iii) the resulting coverage ratios (calculated in accordance with the Required Coverage Ratios). For purposes of the calculations required by clause (i) of this paragraph, (a) the Issuer may also take into account any increase in revenues reasonably projected by implementation of any improvements to the System financed with the proceeds of such additional Secured Obligations after such improvements are placed into service, and (b) the Issuer may also take into account any increase in rates charged for System services reasonably expected to be implemented by the Issuer during the then current or any of the following four Fiscal Years. For purposes of the calculations required by clause (ii) of this paragraph, the Issuer shall take into account Debt Service Requirements on additional Secured Obligations reasonably expected to be issued during the then current or the following four Fiscal Years as if such additional Secured Obligations (x) were issued within such time period, (y) have amortization schedules similar to and (z) bear interest at the same rate as the additional Secured Obligations for which the calculations required by this paragraph are made.

Notwithstanding the foregoing, additional Secured Obligations may be issued or incurred to refinance Outstanding Secured Obligations without compliance with the foregoing tests if, after giving effect to the application of the proceeds of such refunding Secured Obligations, Debt Service Requirements on all

Secured Obligations outstanding on the date of issuance or incurrence of such refunding Secured Obligations (but excluding the refinanced Secured Obligations) will not be increased in the then current or any future Fiscal Year in which any Secured Obligations not being refunded are Outstanding.

(3) **Opinion of Counsel.** The Issuer must deliver to the Trustee (A) a Favorable Tax Opinion with respect to the issuance of the additional Secured Obligations, and (B) an Opinion of Counsel stating in effect that the documentation delivered to the Trustee complies in form and scope with the requirements of this **Article 8**, provided, however, that the delivery of such Opinion of Counsel shall not be construed as a verification by such Counsel of financial data, expectations or estimates contained in the supporting documentation delivered to the Trustee.

(4) **Certificate of Issuer.** The Issuer must deliver to the Trustee a certificate of an Authorized Issuer Representative stating in effect that (A) no Indenture Default exists, (B) the issuance of the additional Secured Obligations will not cause or result in an Indenture Default, and (C) if the provisions of **Section 15.5** are in effect, evidence of compliance with **Section 15.5**.

(b) Upon receipt of the documentation required by **Article 8** the Trustee shall (i) execute the Supplemental Indenture and (ii) authenticate the additional Secured Obligations authorized under this Indenture.

SECTION 8.3 Effect of Issuance of Additional Secured Obligations

(a) Secured Obligations issued as Senior Lien Obligations shall be secured by the General Trust Estate on an equal, ratable and proportionate basis with the Series 2013 Senior Lien Obligations and all other Senior Lien Obligations issued under this Indenture and from time to time Outstanding. Secured Obligations issued as Subordinate Lien Obligations shall be secured by the General Trust Estate on an equal, ratable and proportionate basis with the Series 2013 Subordinate Lien Obligations and all other Subordinate Lien Obligations issued under this Indenture and from time to time Outstanding.

(b) The Secured Obligation Debt Service Funds and any Secured Obligation Reserve Funds established with respect to a related series of Secured Obligations shall be for the sole benefit of such Secured Obligations.

ARTICLE 9

Indenture Funds

SECTION 9.1 Revenue Fund

(a) There is hereby established a special trust fund which shall be designated the "Revenue Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Revenue Fund. The Revenue Fund shall be part of the General Trust Estate and shall be held by the Trustee for the benefit of the Holders of all Secured Obligations.

(b) All System Revenues shall be deposited in the Revenue Fund promptly as received by the Issuer.

(c) The Trustee shall make payments and transfers from the Revenue Fund as required by **Section 9.2**. The Issuer may make withdrawals from the Revenue Fund only to the extent permitted by **Section 9.2(a)(8)** and **(9)**.

SECTION 9.2 Application of System Revenues

(a) During each calendar month the System Revenues on deposit in the Revenue Fund shall be applied as follows, in the order of priority indicated:

(1) *Senior Lien Debt Service.* First, the Trustee shall deposit in each Senior Lien Debt Service Fund the amount required for the payment of Debt Service due on Senior Lien Obligations. The related provisions of this Indenture (including any Supplemental Indenture with respect to Senior Lien

Obligations) may require such deposits on or before the due date of such Debt Service, or in the month prior to the due date of such Debt Service, or may require monthly deposits for the accumulation of funds to pay Debt Service on such Senior Lien Obligations; provided, however, that such monthly deposits may not exceed the sum of (i) the pro rata amount of interest payable on the next Interest Payment Date and (ii) if principal matures or is subject to scheduled mandatory redemption within one year from the deposit date, the pro rata amount of principal payable on the next Maturity Date or scheduled mandatory redemption date, as the case may be. Investment earnings on deposit in, or transferred to, a Senior Lien Debt Service Fund shall be credited against the required deposits. If money available in the Revenue Fund is not sufficient to make all deposits otherwise required by this paragraph (1), then deposits to each Senior Lien Debt Service Fund shall be made on a proportionate basis.

(2) *Trustee Fees, Credit Enhancement Fees and Related Fees for Senior Lien Obligations.* Second, the Trustee shall, (i) pay fees and expenses of the Trustee (including amounts payable under **Section 12.7**), (ii) at the direction of the Issuer, which may be standing instructions, pay fees and other amounts due during such month with respect to Credit Enhancement for Senior Lien Obligations, and (iii) at the direction of the Issuer, which may be standing instructions, pay fees during such month to remarketing agents or entities performing similar functions, with respect to Senior Lien Obligations. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all payments required by this paragraph (2), such payments shall be made on a proportionate basis.

(3) *Subordinate Lien Debt Service.* Third, the Trustee shall deposit in each Subordinate Lien Debt Service Fund the amount required for the payment of Debt Service due on Subordinate Lien Obligations. The related provisions of this Indenture (including any Supplemental Indenture with respect to Subordinate Lien Obligations) may require such deposits on or before the due date of such Debt Service, or in the month prior to the due date of such Debt Service, or may require monthly deposits for the accumulation of funds to pay Debt Service on such Subordinate Lien Obligations; provided, however, that such monthly deposits may not exceed the sum of (i) the pro rata amount of interest payable on the next Interest Payment Date and (ii) if principal matures or is subject to scheduled mandatory redemption within one year from the deposit date, the pro rata amount of principal payable on the next Maturity Date or scheduled mandatory redemption date, as the case may be. Investment earnings on deposit in, or transferred to, a Subordinate Lien Debt Service Fund shall be credited against the required deposits. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits otherwise required by this paragraph (3), then deposits to each Subordinate Lien Debt Service Fund shall be made on a proportionate basis.

(4) *Credit Enhancement Fees and Related Fees for Subordinate Lien Obligations.* Fourth, the Trustee shall at the direction of the Issuer, which may be standing instructions, (i) pay fees and other amounts due during such month with respect to Credit Enhancement for Subordinate Lien Obligations and (ii) pay fees during such month to remarketing agents or entities performing similar functions with respect to Subordinate Lien Obligations. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all payments required by this paragraph (4), such payments shall be made on a proportionate basis.

(5) *Operating Expenses.* Fifth, the Trustee shall deposit in the Operating Account the amount required to make the balance in the Operating Account equal to the Required Operating Reserve, as specified in writing by the Issuer.

(6) *Senior Lien Reserve Funds.* Sixth, the Trustee shall deposit in each Senior Lien Reserve Fund the amount required by this Indenture or the related Supplemental Indenture to accumulate, maintain or restore the required balance in such Senior Lien Reserve Fund, subject to the terms and conditions of **Section 8.2(a)(7)(G)** and **Section 9.6(d)**. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits required by this paragraph (6), deposits to each Senior Lien Reserve Fund shall be made on a proportionate basis.

(7) *Subordinate Lien Reserve Funds.* Seventh, the Trustee shall deposit in each Subordinate Lien Reserve Fund the amount required by this Indenture or the related Supplemental Indenture to

accumulate, maintain or restore the required balance in such Subordinate Lien Reserve Fund, subject to the terms and conditions of **Section 8.2(a)(1)(G)** and **Section 9.7(d)**. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits required by this paragraph (7), deposits to each Subordinate Lien Reserve Fund shall be made on a proportionate basis.

(8) *Rebate Liability.* Eighth, on or before the twenty-fifth day of each month, the Issuer may request withdrawal of amounts due for Rebate Liability as provided in **Section 9.2(b)**.

(9) *Unsecured Obligations.* Ninth, the Issuer may request withdrawal of amounts due on Unsecured Obligations as provided in **Section 9.2(b)**.

(10) *Capital Improvement Fund.* Tenth, the Trustee shall transfer the entire amount remaining in the Revenue Fund to the Capital Improvement Fund.

(b) Withdrawals by the Issuer pursuant to **Section 9.2(a)(8)** or (9) shall be made pursuant to a requisition substantially in the form provided in **Exhibit 9.2(b)**, duly executed by an Authorized Issuer Representative.

SECTION 9.3 Series 2013 Senior Lien Debt Service Fund

(a) There is hereby established a special trust fund which shall be designated the "Series 2013 Senior Lien Debt Service Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Series 2013 Senior Lien Debt Service Fund. The Series 2013 Senior Lien Debt Service Fund shall be part of the Series 2013 Senior Lien Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Senior Lien Obligations.

(b) Deposits shall be made to the Series 2013 Senior Lien Debt Service Fund as follows:

(1) On or before the twenty-fifth day of each month, the Trustee shall deposit in the Series 2013 Senior Lien Debt Service Fund an amount equal to 1/6 of the interest payable on the Series 2013 Senior Lien Obligations on the next Interest Payment Date (plus any prior deficiencies); provided, however, that if the period from the date of issuance of the Series 2013 Senior Lien Obligations until the first Interest Payment Date is more or less than six months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of interest on the first Interest Payment Date.

(2) On or before the twenty-fifth day of each month, if the principal or Accreted Value of Series 2013 Senior Lien Obligations is payable within the next 12 months (whether at maturity or pursuant to scheduled mandatory redemption requirements), the Trustee shall deposit in the Series 2013 Senior Lien Debt Service Fund an amount equal to 1/12 of such principal amount or Accreted Value (plus any prior deficiencies); provided, however, that if the period from the date of issuance of the Series 2013 Senior Lien Obligations until such principal or Accreted Value is payable is less than 12 months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of principal or Accreted Value on such first principal or Accreted Value payment date.

(3) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, if the amount on deposit in the Series 2013 Senior Lien Debt Service Fund is not sufficient for any reason to pay Debt Service due on Series 2013 Senior Lien Obligations on such Warrant Payment Date, the Trustee shall transfer money to the Series 2013 Senior Lien Debt Service Fund from the Series 2013 Senior Lien Reserve Fund as provided in **Section 9.6(c)**.

The Trustee may claim a credit against such deposits for the amount of investment earnings realized in, or transferred to, the Series 2013 Senior Lien Debt Service Fund that have not been credited against prior deposits.

(c) On each Warrant Payment Date, money in the Series 2013 Senior Lien Debt Service Fund shall be applied by the Trustee to pay Debt Service due on the Series 2013 Senior Lien Obligations.

(d) If money on deposit in the Series 2013 Senior Lien Debt Service Fund on any Warrant Payment Date is sufficient to pay Debt Service on the Series 2013 Senior Lien Obligations due and payable on such Date, but the Holder of any Series 2013 Senior Lien Obligation that matures on such Date or that is subject to redemption on such Date fails to surrender such Series 2013 Senior Lien Obligation to the Trustee for payment of Debt Service due and payable on such Date, the Trustee shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay the Debt Service due and payable on such Series 2013 Senior Lien Obligation on such Date. Money so segregated and held in trust shall not be a part of the Series 2013 Senior Lien Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Debt Service.

(e) The Trustee may transfer funds on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of particular Series 2013 Senior Lien Obligations to a trust created pursuant to **Article 14** for the benefit of such Series 2013 Senior Lien Obligations.

SECTION 9.4 Series 2013 Subordinate Lien Debt Service Fund

(a) There is hereby established a special trust fund which shall be designated the "Series 2013 Subordinate Lien Debt Service Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Series 2013 Subordinate Lien Debt Service Fund. The Series 2013 Subordinate Lien Debt Service Fund shall be part of the Series 2013 Subordinate Lien Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Subordinate Lien Obligations.

(b) Deposits shall be made to the Series 2013 Subordinate Lien Debt Service Fund as follows:

(1) On or before the twenty-fifth day of each month, the Trustee shall deposit in the Series 2013 Subordinate Lien Debt Service Fund an amount equal to 1/6 of the interest payable on the Series 2013 Subordinate Lien Obligations on the next Interest Payment Date; provided, however, that if the period from the date of issuance of the Series 2013 Subordinate Lien Obligations until the first Interest Payment Date is more or less than six months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of interest on the first Interest Payment Date.

(2) On or before the twenty-fifth day of each month, if the principal or Accreted Value of Series 2013 Subordinate Lien Obligations is payable within the next 12 months (whether at maturity or pursuant to scheduled mandatory redemption requirements), the Trustee shall deposit in the Series 2013 Subordinate Lien Debt Service Fund an amount equal to 1/12 of such principal amount or Accreted Value; provided, however, that if the period from the date of issuance of the Series 2013 Subordinate Lien Obligations until such principal or Accreted Value is payable is less than 12 months, such transfers during such initial period shall be sufficient on a monthly pro rata basis to provide for payment of principal or Accreted Value on such first principal or Accreted Value payment date.

(3) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, if the amount on deposit in the Series 2013 Subordinate Lien Debt Service Fund is not sufficient for any reason to pay Debt Service due on Series 2013 Subordinate Lien Obligations on such Warrant Payment Date, the Trustee shall transfer money to the Series 2013 Subordinate Lien Debt Service Fund from the Series 2013 Subordinate Lien Reserve Fund as provided in **Section 9.7(c)**.

The Trustee may claim a credit against such deposits for the amount of investment earnings realized in, or transferred to, the Series 2013 Subordinate Lien Debt Service Fund that have not been credited against prior deposits.

(c) On each Warrant Payment Date, money in the Series 2013 Subordinate Lien Debt Service Fund shall be applied by the Trustee to pay Debt Service due on the Series 2013 Subordinate Lien Obligations.

(d) If money on deposit in the Series 2013 Subordinate Lien Debt Service Fund on any Warrant Payment Date is sufficient to pay Debt Service on the Series 2013 Subordinate Lien Obligations due and payable on such Date, but the Holder of any Series 2013 Subordinate Lien Obligation that matures on such Date or that is

subject to redemption on such Date fails to surrender such Series 2013 Subordinate Lien Obligation to the Trustee for payment of Debt Service due and payable on such Date, the Trustee shall segregate and hold in trust for the benefit of the person entitled thereto money sufficient to pay the Debt Service due and payable on such Series 2013 Subordinate Lien Obligation on such Date. Money so segregated and held in trust shall not be a part of the Series 2013 Subordinate Lien Trust Estate and shall not be invested, but shall constitute a separate trust fund for the benefit of the persons entitled to such Debt Service.

(e) The Trustee may transfer funds on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of particular Series 2013 Subordinate Lien Obligations to a trust created pursuant to *Article 14* for the benefit of such Series 2013 Subordinate Lien Obligations.

SECTION 9.5 Operating Account

(a) The Issuer shall maintain an account (an "Operating Account") in its own name with a bank or financial institution selected by the Issuer (which may include the Trustee's commercial banking department) for the payment of Operating Expenses.

(b) On or before the twenty-fifth day of each month, the Trustee shall transfer money to the Operating Account from the Revenue Fund as required by *Section 9.2(a)(5)*.

(c) The Issuer shall use money in the Operating Account solely for the payment of Operating Expenses. Each payment or transfer from the Operating Account by the Issuer shall constitute an implied representation or warranty by the Issuer that the purpose of such payment or transfer is authorized by this Indenture. The Issuer shall provide copies of monthly bank statements for the Operating Account and such additional information and documentation with respect to the Operating Account as the Trustee shall reasonably request; provided, however, that the Trustee shall be entitled to rely upon the Issuer's implied representation or warranty with respect to the purpose of payments or transfers from the Operating Account, and neither a request for information or documentation nor any provision of this Indenture shall impose on the Trustee any duty or responsibility to verify that payments or transfers by the Issuer from the Operating Account are authorized by this Indenture.

(d) If an Indenture Default exists, the Trustee may direct the Issuer to transfer possession and control of the Operating Account to the Trustee. The Issuer shall complete such transfer within five Business Days after receipt of such notice. While the Operating Account is in the possession and control of the Trustee as described in this *Section 9.5(d)*, payments from the Operating Account may be made by the Issuer pursuant to such procedures as the Trustee shall establish in its discretion. If an Indenture Default which causes a transfer of control of the Operating Account pursuant to the provisions of this *Section 9.5(d)* no longer exists or is cured, then upon request of the Issuer the Trustee shall transfer control of the Operating Account back to the Issuer within five Business Days after receipt of such request.

SECTION 9.6 Series 2013 Senior Lien Reserve Fund

(a) There is hereby established a special trust fund which shall be designated the "Series 2013 Senior Lien Reserve Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund shall be part of the Series 2013 Senior Lien Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Senior Lien Obligations.

(b) On the date of issuance of the Series 2013 Senior Lien Obligations, the Issuer shall deliver to the Trustee the Series 2013 Senior Lien Reserve Fund Letter of Credit. The Series 2013 Senior Lien Reserve Fund Letter of Credit shall be part of the Series 2013 Senior Lien Reserve Fund. The Series 2013 Senior Lien Reserve Fund Letter of Credit shall meet each of the following requirements:

(1) The Series 2013 Senior Lien Reserve Fund Letter of Credit shall be irrevocable so long as Series 2013 Senior Lien Obligations are Outstanding and shall be irrevocably payable to the Trustee, as trustee for the benefit of the Holders of Series 2013 Senior Lien Obligations.

(2) The Series 2013 Senior Lien Reserve Fund Letter of Credit shall provide for payment at the sight of a properly completed draw request by wire transfer in accordance with the written instructions of the Trustee.

(3) The Series 2013 Senior Lien Reserve Fund Letter of Credit shall provide for delivery of collateral to the Trustee should a rating maintained by any one Rating Agency with respect to [the long-term obligations of JPMorgan Chase Bank fall to or below one of following rating categories: _____ (or its equivalent) assigned by a Rating Agency at any time the Series 2013 Senior Lien Obligations are Outstanding. Collateral delivery shall not create an obligation of the Issuer to reimburse JPMorgan Chase Bank, unless such collateral is withdrawn as provided in *Section 9.6(e)*. The required collateral shall be in the form of cash or Qualified Investments, which shall be deposited in a segregated account within the Series 2013 Senior Lien Reserve Fund, to be held or returned by the Trustee subject to the provisions of the Series 2013 Collateral Support Agreement.

(c) Withdrawals from the Series 2013 Senior Lien Reserve Fund shall be made in the following order:

(1) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, the Trustee shall withdraw money in the Series 2013 Senior Lien Reserve Fund (other than collateral (if any) provided by JPMorgan Chase Bank pursuant to *Section 9.6(b)(3)*) and use such money to pay Debt Service on the Series 2013 Senior Lien Obligations, but only if money on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Senior Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(2) If the amount available under *Section 9.6(c)(1)* is insufficient to provide the funds necessary to prevent a default in the payment of Debt Service on the Series 2013 Senior Lien Obligations, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, the Trustee shall draw upon the Series 2013 Senior Lien Reserve Fund Letter of Credit in the minimum amount of \$100,000, and the proceeds of such draw shall be used to pay Debt Service on the Series 2013 Senior Lien Obligations, but only if money on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Senior Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service. The balance of the proceeds of any draw not needed for transfer to the Series 2013 Senior Lien Debt Service Fund shall be deposited in the Series 2013 Senior Lien Reserve Fund.

(3) If the Trustee draws upon the Series 2013 Senior Lien Reserve Fund Letter of Credit and JPMorgan Chase Bank fails to honor such draw, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Senior Lien Obligations, the Trustee shall withdraw collateral (if any) provided by JPMorgan Chase Bank pursuant to *Section 9.6(b)(3)* in an amount up to the amount requested in such dishonored draw request and use such money to pay Debt Service on the Series 2013 Senior Lien Obligations, but only if money on deposit in the Series 2013 Senior Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Senior Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(d) If any withdrawal from the Series 2013 Senior Lien Reserve Fund is made pursuant to *Section 9.6(c)*, the Trustee shall, on or before the twenty-fifth day of each month after such withdrawal (in accordance with the priority specified in *Section 9.2*), transfer money from the Revenue Fund to the Series 2013 Senior Lien Reserve Fund in an amount equal to the lesser of (i) 1/12 of the amount withdrawn or (ii) the amount required to restore the balance in the Series 2013 Senior Lien Reserve Fund to the Series 2013 Senior Lien Reserve Fund Requirement; provided that withdrawals made pursuant to *Section 9.6(e)*, *9.6(f)* or *9.6(g)* need not be reimbursed by the Issuer.

(e) On or before October 1 of each year, the amount, if any, by which the cash balance in the Series 2013 Senior Lien Reserve Fund on any such determination date exceeds the Series 2013 Senior Lien Reserve Fund

Requirement shall be transferred to the Series 2013 Senior Lien Debt Service Fund. The balance in the Series 2013 Senior Lien Reserve Fund shall be determined by valuing Qualified Investments on deposit at fair market value as of the date of determination (exclusive of accrued interest) and by valuing the Series 2013 Senior Lien Reserve Fund Letter of Credit on deposit in accordance with this paragraph. The Trustee may value Qualified Investments or the Series 2013 Senior Lien Reserve Fund Letter of Credit on any Business Day up to three Business Days prior to the date of any transfer or withdrawal permitted by this Section 9.6. The Trustee shall value the Series 2013 Senior Lien Reserve Fund Letter of Credit at the then current amount of permissible draws available thereunder on the date of determination. Subject to the Series 2013 Collateral Support Agreement, to the extent collateral has been delivered by JPMorgan Chase Bank pursuant to Section 9.6(b)(3), the Trustee shall not transfer the amount of such collateral under the provisions of this Section 9.6(e).

(f) The Trustee may transfer funds on deposit in the Series 2013 Senior Lien Reserve Fund to a trust created pursuant to Article 14 for the benefit of the Series 2013 Senior Lien Obligations, so long as the balance in the Series 2013 Senior Lien Reserve Fund, after giving effect to such transfer, is not less than the Series 2013 Senior Lien Reserve Fund Requirement, provided that draws on the Series 2013 Senior Lien Reserve Fund Letter of Credit or any collateral delivered by JPMorgan Chase Bank pursuant to Section 9.6(b)(3) may not be used for this purpose.

(g) Notwithstanding the provisions of this Section 9.6, if the terms of the Series 2013 Senior Lien Reserve Fund Letter of Credit allow for reinstatement, the Issuer may direct the Trustee to make a withdrawal from the Series 2013 Senior Lien Reserve Fund by delivering a certificate in substantially the form attached hereto as Exhibit 9.6(g) for the purpose of optionally redeeming Senior Lien Reserve Fund Warrants, but only if (i) redemption of such Senior Lien Reserve Fund Warrants will have the effect of reinstating coverage under the Series 2013 Senior Lien Reserve Fund Letter of Credit in the amount of such withdrawal, and (ii) the result of such withdrawal immediately after giving effect to reinstatement of the Series 2013 Senior Lien Reserve Fund Letter of Credit is that the Issuer meets the Series 2013 Senior Lien Reserve Fund Requirement, taking into account amounts held in the Series 2013 Senior Lien Reserve Fund and the coverage provided by the Series 2013 Senior Lien Reserve Fund Letter of Credit; provided that collateral (if any) delivered by JPMorgan Chase Bank pursuant to Section 9.6(b)(3) shall not be used for this purpose.

(h) For the avoidance of doubt, the Senior Lien Reserve Fund Letter of Credit may not be drawn upon to pay Debt Service due on optional redemption of the Series 2013 Senior Lien Obligations.

SECTION 9.7 Series 2013 Subordinate Lien Reserve Fund

(a) There is hereby established a special trust fund which shall be designated the "Series 2013 Subordinate Lien Reserve Fund". The Trustee shall be the depository, custodian and sole disbursing agent for the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund shall be part of the Series 2013 Subordinate Lien Trust Estate and shall be held by the Trustee for the sole benefit of the Holders of the Series 2013 Subordinate Lien Obligations.

(b) On the date of issuance of the Series 2013 Subordinate Lien Obligations, the Issuer shall deliver to the Trustee the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall be part of the Series 2013 Subordinate Lien Reserve Fund. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall meet each of the following requirements:

(1) The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall be irrevocable so long as Series 2013 Subordinate Lien Obligations are Outstanding and shall be irrevocably payable to the Trustee, as trustee for the benefit of the Holders of Series 2013 Subordinate Lien Obligations.

(2) The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall provide for payment at sight of a properly completed draw request by wire transfer in accordance with the written instructions of the Trustee.

(3) The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall provide for delivery of collateral to the Trustee should a rating maintained by any one Rating Agency with respect to [the long-term obligations of] JPMorgan Chase Bank fall to or below one of following rating categories:

____ (or its equivalent)] assigned by a Rating Agency at any time the Series 2013 Subordinate Lien Obligations are Outstanding. Collateral delivery shall not create an obligation of the Issuer to reimburse JPMorgan Chase Bank, unless such collateral is withdrawn as provided in Section 9.7(c). The required collateral shall be in the form of cash or Qualified Investments, which shall be deposited in a segregated account within the Series 2013 Subordinate Lien Reserve Fund, to be held or returned by the Trustee subject to the provisions of the Series 2013 Collateral Support Agreement.

(c) Withdrawals from the Series 2013 Subordinate Lien Reserve Fund shall be made in the following order:

(1) On or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, the Trustee shall withdraw money in the Series 2013 Subordinate Lien Reserve Fund (other than collateral (if any) provided by JPMorgan Chase Bank pursuant to Section 9.7(b)(3)) and use such money to pay Debt Service on the Series 2013 Subordinate Lien Obligations, but only if money on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Subordinate Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(2) If the amount available under Section 9.7(c)(1) is insufficient to provide the funds necessary to prevent a default in the payment of Debt Service on the Series 2013 Subordinate Lien Obligations, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, the Trustee shall draw upon the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in the minimum amount of \$100,000, and the proceeds of such draw shall be used to pay Debt Service on the Series 2013 Subordinate Lien Obligations, but only if money on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Subordinate Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service. The balance of the proceeds of any draw not needed for transfer to the Series 2013 Subordinate Lien Debt Service Fund shall be deposited in the Series 2013 Subordinate Lien Reserve Fund.

(3) If the Trustee draws upon the Series 2013 Subordinate Lien Reserve Fund Letter of Credit and JPMorgan Chase Bank fails to honor such draw, on or before the twenty-fifth day of each month next preceding a Warrant Payment Date with respect to Series 2013 Subordinate Lien Obligations, the Trustee shall withdraw collateral (if any) provided by JPMorgan Chase Bank pursuant to Section 9.7(b)(3) in an amount up to the amount requested in such dishonored draw request and use such money to pay Debt Service on the Series 2013 Subordinate Lien Obligations, but only if money on deposit in the Series 2013 Subordinate Lien Debt Service Fund for the payment of such Debt Service is not sufficient for such purpose and payment from the Series 2013 Subordinate Lien Reserve Fund is necessary to prevent a default in the payment of such Debt Service.

(d) If any withdrawal from the Series 2013 Subordinate Lien Reserve Fund is made pursuant to Section 9.7(c), the Trustee shall, on or before the twenty-fifth day of each month after such withdrawal (in accordance with the priority specified in Section 9.2), transfer money from the Revenue Fund to the Series 2013 Subordinate Lien Reserve Fund in an amount equal to the lesser of (i) 1/12 of the amount withdrawn or (ii) the amount required to restore the balance in the Series 2013 Subordinate Lien Reserve Fund to the Series 2013 Subordinate Lien Reserve Fund Requirement; provided that withdrawals made pursuant to Section 9.7(c), 9.7(f) or 9.7(g) need not be reimbursed by the Issuer.

(e) On or before October 1 of each year, the amount, if any, by which the cash balance in the Series 2013 Subordinate Lien Reserve Fund on any such determination date exceeds the Series 2013 Subordinate Lien Reserve Fund Requirement shall be transferred to the Series 2013 Subordinate Lien Debt Service Fund. The balance in the Series 2013 Subordinate Lien Reserve Fund shall be determined by valuing Qualified Investments on deposit at fair market value as of the date of determination (exclusive of accrued interest) and by valuing the Series 2013 Subordinate Lien Reserve Fund Letter of Credit on deposit in accordance with this paragraph. The Trustee may value Qualified Investments or the Series 2013 Subordinate Lien Reserve Fund Letter of Credit on any Business Day up to three Business Days prior to the date of any transfer or withdrawal permitted by this Section 9.7.

The Trustee shall value the Series 2013 Subordinate Lien Reserve Fund Letter of Credit at the then current amount of permissible draws available thereunder on the date of determination. Subject to the Series 2013 Collateral Support Agreement, to the extent collateral has been delivered by JPMorgan Chase Bank pursuant to **Section 9.7(b)(3)**, the Trustee shall not transfer the amount of such collateral under the provisions of this **Section 9.7(e)**.

(f) The Trustee may transfer funds on deposit in the Series 2013 Subordinate Lien Reserve Fund to a trust created pursuant to **Article 14** for the benefit of the Series 2013 Subordinate Lien Obligations, so long as the balances in the Series 2013 Subordinate Lien Reserve Fund, after giving effect to such transfer, is not less than the Series 2013 Subordinate Lien Reserve Fund Requirement, provided that draws on the Series 2013 Subordinate Lien Reserve Fund Letter of Credit or any collateral delivered by JPMorgan Chase Bank pursuant to **Section 9.7(b)(3)** may not be used for this purpose.

(g) Notwithstanding the provisions of this **Section 9.7**, if the terms of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit allow for reinstatement, the Issuer may direct the Trustee to make a withdrawal from the Series 2013 Subordinate Lien Reserve Fund by delivering a certificate in substantially the form attached hereto as **Exhibit 9.7(g)** for the purpose of optionally redeeming Subordinate Lien Reserve Fund Warrants, but only if (i) redemption of such Subordinate Lien Reserve Fund Warrants will have the effect of reinstating coverage under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit in the amount of such withdrawal, and (ii) the result of such withdrawal immediately after giving effect to reinstatement of the Series 2013 Subordinate Lien Reserve Fund Letter of Credit is that the Issuer meets the Series 2013 Subordinate Lien Reserve Fund Requirement, taking into account amounts held in the Series 2013 Subordinate Lien Reserve Fund and the coverage provided by the Series 2013 Subordinate Lien Reserve Fund Letter of Credit; provided that collateral (if any) delivered by JPMorgan Chase Bank pursuant to **Section 9.7(b)(3)** shall not be used for this purpose.

(h) For the avoidance of doubt, the Subordinate Lien Reserve Fund Letter of Credit may not be drawn upon to pay Debt Service due on optional redemption of the Series 2013 Subordinate Lien Obligations.

SECTION 9.8 Capital Improvement Fund

(a) There is hereby established with the Trustee a trust fund which shall be designated the "Capital Improvement Fund". The Trustee shall be the depository, custodian and disbursing agent for the Capital Improvement Fund. The Capital Improvement Fund shall be part of the General Trust Estate and shall be held by the Trustee for the benefit of the Holders of all Secured Obligations.

(b) On or before the twenty-fifth day of each month, if all payments and deposits required during such month by **Section 9.2(a)(1)** through **(7)** have been made, the Trustee shall deposit the remaining money in the Capital Improvement Fund pursuant to **Section 9.2(a)(10)**, but only to the extent the Issuer has not requested funds from the Trustee for the purposes described in **Sections 9.2(a)(8)** and **(9)**.

(c) Money in the Capital Improvement Fund may be used for the following purposes:

(1) If no Indenture Default exists, the Issuer may withdraw money from the Capital Improvement Fund from time to time for the purpose of paying (A) costs of Capital Improvements to the System, (B) the purchase price of Secured Obligations purchased pursuant to the provisions of **Section 6.2**, (C) the purchase price of Callable Warrants purchased in lieu of optional redemption pursuant to the provisions of **Section 7.9**, (D) amounts needed for optional redemption of Secured Obligations, or (E) amounts necessary to pay Rebate Liability, if the Issuer delivers to the Trustee a requisition substantially in the form attached as **Exhibit 9.8(c)**, executed by an Authorized Issuer Representative.

(2) If money on deposit with the Trustee in the related Debt Service Fund is not sufficient for the timely payment of Debt Service due on Secured Obligations, the Trustee may transfer money from the Capital Improvement Fund to the related Debt Service Fund to the extent necessary for payment of such Debt Service.

(3) If money on deposit in the Operating Account is not sufficient for the timely payment of Operating Expenses, the Issuer may direct the Trustee to transfer money from the Capital Improvement Fund to the Operating Account for the payment of Operating Expenses.

(4) On the date of issuance of any Secured Obligations, the Issuer may direct the Trustee to transfer money from the Capital Improvement Fund to any related Secured Obligation Reserve Fund, subject to the terms and conditions of **Section 8.2(a)(i)(G)**.

SECTION 9.9 Costs of Issuance Fund

(a) There is hereby established with the Trustee a trust fund which shall be designated the "Costs of Issuance Fund". The Trustee shall be the depository, custodian and disbursing agent for the Costs of Issuance Fund. The Costs of Issuance Fund shall be part of the General Trust Estate.

(b) A deposit to the Costs of Issuance Fund shall be made from the proceeds of the Warrants, as provided in **Section 5.7**. Any Supplemental Indenture with respect to the issuance of Secured Obligations may provide for additional deposits to the Costs of Issuance Fund.

(c) Money in the Costs of Issuance Fund shall be paid by the Trustee from time to time for the purpose of paying Costs of Issuance with respect to Secured Obligations upon delivery to the Trustee of a written direction executed by an Authorized Issuer Representative, together with a copy of each invoice to which such request relates.

(d) At the request of the Issuer, the Trustee shall establish a separate account within the Costs of Issuance Fund for the proceeds of any series of Secured Obligations.

(e) After an Authorized Issuer Representative certifies to the Trustee that money remaining in the Costs of Issuance Fund is not needed to pay Costs of Issuance with respect to the Warrants, any balance remaining in the Costs of Issuance Fund shall be transferred to the Revenue Fund.

SECTION 9.10 Investment of Indenture Funds

(a) Except as otherwise expressly provided in this Indenture, any money held as part of an Indenture Fund (other than the Operating Account) shall be invested or reinvested in Qualified Investments by the Trustee in accordance with the instructions of the Issuer. The Trustee may rely on the direction of the Issuer as to both the legality and suitability of the directed investment. In the absence of such instructions, the Trustee may hold such money in cash. Interest and profits on investments in the Series 2013 Senior Lien Reserve Fund shall be transferred to the Series 2013 Senior Lien Debt Service Fund, as provided in **Section 9.6(e)**. Interest and profits on investments in the Series 2013 Subordinate Lien Reserve Fund shall be transferred to the Series 2013 Subordinate Lien Debt Service Fund, as provided in **Section 9.6(e)**. Except as provided with respect to investment earnings on the Series 2013 Senior Lien Reserve Fund and the Series 2013 Subordinate Lien Reserve Fund, any investment made with money on deposit in an Indenture Fund shall be held by or under control of the Trustee and shall be deemed at all times a part of the Indenture Fund where such money was on deposit, and the interest and profits realized from such investment shall be credited to such Indenture Fund and any loss resulting from such investment shall be charged to such Indenture Fund. The Issuer may invest funds in the Operating Account in only Qualified Investments.

(b) Any investment of money in the Indenture Funds may be made by the Trustee through its own bond department, investment department or other commercial banking department providing investment services.

(c) The Trustee shall follow the instructions of the Issuer with respect to investments of the Indenture Funds as provided in this Section, and the Trustee shall not be responsible for (i) determining that any such investment complies with the arbitrage limitations imposed by Section 148 of the Internal Revenue Code, or (ii) calculating the amount of any Rebate Liability. The Trustee shall not be responsible or liable for any loss suffered in connection with any investment of funds made by it at the direction of the Issuer or for whether any such investment is a Qualified Investment.

(d) If the Trustee shall have actual notice that any Qualified Investments held by the Trustee shall no longer have the required rating, the Trustee shall promptly notify the Issuer of the downgrade or withdrawal of such investment's rating.

SECTION 9.11 Application of Funds After Indenture Indebtedness Defeased

- (a) After any series of Secured Obligations has been paid or Defeased, any money or investments remaining in the related Secured Obligation Debt Service Funds or the related Secured Obligation Reserve Funds shall be transferred to the Revenue Fund.
- (b) After all Indenture Indebtedness has been paid or Defeased, any money or investments remaining in the Indenture Funds or otherwise constituting part of the Trust Estate shall be paid to the Issuer if no Indenture Default exists.
- (c) Notwithstanding the provisions of this Section, any collateral deposited in the Series 2013 Senior Lien Reserve Fund pursuant to *Section 9.6(b)(3)* or any collateral deposited in the Series 2013 Subordinate Lien Reserve Fund pursuant to *Section 9.7(b)(3)*, shall be directed as provided in the Series 2013 Collateral Support Agreement.

ARTICLE 10

Representations and Covenants

SECTION 10.1 General Representations

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

- (a) Under the provisions of the Enabling Law and its organizational documents, it has the power to consummate the transactions described in the Secured Obligation Documents.
- (b) The Secured Obligation Documents to which it is a party constitute legal, valid and binding obligations of the Issuer and are enforceable against it in accordance with the terms of such Secured Obligation Documents, 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.
- (c) The lien imposed by this Indenture is a first-priority valid, binding lien on System Revenues and on the Trust Estate. The Issuer's title to the System as it presently exists is free and clear of any encumbrance or other lien, other than liens permitted by *Section 10.8(c)*.

SECTION 10.2 Encumbrances on Trust Estate

The Issuer will not create any pledge, charge, encumbrance or lien of any kind on the Trust Estate or any part thereof prior to or on a party with the lien of this Indenture and will not create or permit any other lien on the Trust Estate or any part thereof except as permitted by *Article 8* and *Section 10.8*.

SECTION 10.3 Payment of Secured Obligations

The Issuer will, from funds constituting part of the Trust Estate, duly and punctually pay, or cause to be paid, the Debt Service on the Secured Obligations as and when the same shall become due and will, from funds constituting a part of the Trust Estate, duly and punctually deposit, or cause to be deposited, in the Indenture Funds the amounts required to be deposited therein, all in accordance with the terms of the Secured Obligations and this Indenture.

SECTION 10.4 Inspection of Records

The Issuer will at any and all times, upon the request of the Trustee, afford and procure a reasonable opportunity for the Trustee by its representatives to inspect any books, records, reports and other papers of the Issuer relating to the performance by the Issuer of its covenants in this Indenture, and the Issuer will furnish to the Trustee any and all information as the Trustee may reasonably request with respect to the performance by the Issuer of its covenants in this Indenture.

SECTION 10.5 Advances by Trustee

If the Issuer shall fail to perform any of its covenants in this Indenture, the Trustee may, but shall not be required, at any time and from time to time, to make advances to effect performance of any such covenant on behalf of the Issuer. Any money so advanced by the Trustee, together with interest at the Post-Default Rate, shall be repaid upon demand and such advances shall be secured under this Indenture prior and senior in right to any Secured Obligations.

SECTION 10.6 Transfer of System

- (a) The Issuer may transfer the System substantially as an entirety to another person if
- (1) the person who acquires by conveyance or transfer the System substantially as an entirety (the "Successor") shall execute and deliver to the Trustee an instrument in form recordable and acceptable to the Trustee containing an assumption by such Successor of the due and punctual payment of the Debt Service on the Secured Obligations and the performance and observance of every covenant and condition of the Secured Obligation Documents to be performed or observed by the Issuer; and
- (2) the Issuer shall deliver to the Trustee a Favorable Tax Opinion.

(b) Upon any conveyance or transfer of the System substantially as an entirety in accordance with this Section, the Successor shall succeed to, and be substituted for, and may exercise every right and power of, the Issuer under this Indenture with the same effect as if such Successor had been named as the Issuer herein. Upon any conveyance or transfer of the System substantially as an entirety in accordance with this Section, the Issuer shall be released from all further obligations of whatsoever type hereunder.

SECTION 10.7 Compliance with the Tax Certificate and Agreement

- (a) The Issuer will comply with the covenants and agreements on its part contained in the Tax Certificate and Agreement.
- (b) Pursuant to Section 1.48(f) of the Internal Revenue Code, the Issuer must monitor and pay over to the U.S. Treasury any Rebate Liability when due. *Section 9.2(a)(8)* permits the Issuer to make withdrawals from the Revenue Fund for the purpose of paying Rebate Liability with respect to Secured Obligations.

SECTION 10.8 Covenants Regarding Ownership and Operation of the System

The Issuer covenants and agrees that:

- (a) **Maintenance and Operation of the System.** The Issuer shall keep the System in good repair and efficient operating condition, making from time to time all needed repairs and replacements, thereto, the cost of which shall be paid solely from System Revenues and the Sewer Tax Proceeds, and it will continuously operate the System in an economical and efficient manner. The Issuer shall maintain and operate the System in accordance with all applicable federal and state law, including the Consent Decree, and prudent industry practices.
- (b) **Preservation of Priority of Pledge.** The Issuer will protect and preserve the priority of the pledge and assignment of the System Revenues imposed by this Indenture and will not grant or permit any encumbrance, pledge or lien on the System Revenues other than:

(1) a lien on revenues from any sewer system acquired by the Issuer after the date of delivery of this Indenture if such lien (i) was already in existence at the time of acquisition of such system by the Issuer, and (ii) is not renewed or extended by the Issuer so that such lien applies to the System as it existed immediately prior to such acquisition;

(2) a lien arising in the ordinary course of business described in **Section 10.8(c)(D)**; and

(3) a lien that is subject and subordinate to the lien of this Indenture.

(c) **Encumbrances on Other System Assets.** Liens on System Revenues are not permitted except as provided in **Section 10.8(b)**. The Issuer shall not grant or permit any encumbrance, pledge or lien on any other assets constituting part of the System other than:

(1) liens arising in the ordinary course of business of operating the System (other than liens to secure debt), including (i) pledges or deposits to secure obligations under workmen's compensation laws or similar legislation, including liens of judgments thereunder which are not currently dischargeable, (ii) pledges or deposits to secure performance in connection with bids, tenders, contracts (other than contracts for the payment of money) or leases made in the ordinary course of business to which the Issuer is a party as lessee, (iii) pledges or deposits to secure public or statutory obligations of the Issuer, (iv) materialmen's, mechanics', carriers', workmen's, repairmen's, or other similar liens arising in the ordinary course of business, or deposits to obtain the release of such liens, provided that payment of the amount secured by such lien is not delinquent or payment is being contested in good faith by appropriate proceedings, (v) liens resulting from any judgment that is being contested in good faith by appropriate proceedings if execution on such judgment is effectively stayed, and pledges or deposits to secure, or provided in lieu of, any surety, stay or appeal obligation with respect to any such judgment, (vi) leases made, or existing on assets acquired, in the ordinary course of business, (vii) zoning restrictions, easements, licenses, restrictions on the use of real property or minor irregularities in title thereto, which do not, in the opinion of the Issuer, materially impair the use of such property in the operation of the business of the Issuer or the value of such property for the purpose of such business, (viii) pledges or deposits to enable the Issuer to maintain self-insurance or to participate in any self-insurance pools or trusts, and (ix) liens on money deposited by users of utility services as security for, or as prepayment of, the cost of, utility services to be rendered by the Issuer;

(2) restrictions or other liens on an asset created prior to, or as a condition of, the transfer of such asset to the Issuer by an unrelated entity; and

(3) capitalized leases and other title retention agreements with respect to movable personal property or vehicles entered into in connection with the original acquisition of the asset.

(d) **Disposition of Portions of the System.** The Issuer shall not convey, transfer, sell, lease or otherwise dispose of any asset constituting part of the System (other than in the ordinary course of business) unless no Indenture Default exists when such disposition is made and such disposition meets one of the following tests:

(1) Such disposition is made pursuant to a transfer of substantially all of the assets of the Issuer permitted by **Section 10.6** of this Indenture.

(2) In the judgment of the Issuer, the asset to be disposed of consists of property, plant or equipment that is obsolete, worn out, unprofitable, unsuitable or surplus and such disposition will not materially impair the structural soundness, efficiency or economic value of the remaining operating assets of the System.

(3) The property disposed of is real property, no portion of the Issuer's operating assets are located on the property, and the Issuer receives consideration in an amount not less than the fair market value of such property. The proceeds of such disposition shall either be deposited in the Capital Improvement Fund or used to redeem, Defeas or purchase Secured Obligations in the following order:

(A) *First*, Senior Lien Obligations.

(B) *Second*, Subordinate Lien Obligations.

(4) The property disposed of constitutes part of the Issuer's operating assets, and both of the following conditions are met:

(A) The Issuer receives consideration in an amount not less than the fair market value of the asset disposed of.

(B) If such asset being disposed of has a fair market value on disposition of less than 2.5% of the aggregate value of current and noncurrent assets of the System, prior to the disposition of such asset, the Issuer delivers to the Trustee a report of an Independent Consultant (i) expressing the opinion that such disposition will not impair the safe and efficient operation of the remaining portions of the System and (ii) demonstrating expected compliance with the Required Coverage Ratios for the then current and each of the following four Fiscal Years; provided that, if the value of the asset being disposed of is less than \$1,000,000, the Issuer may deliver a report of an Independent Certified Public Accountant. If the value of such asset being disposed of has a fair market value on disposition of an amount equal to or in excess of 2.5% of the aggregate value of current and noncurrent assets of the System, such report shall include a forecast of (x) the amount of Net Income Available for Debt Service to be realized by the System in the then current and each of the following four Fiscal Years, based on rates and charges for the System already adopted by the Issuer, (y) the projected Debt Service Requirements in the then current and each of the following four Fiscal Years, and (z) the resulting coverage ratios expressed in accordance with the definition of Required Coverage Ratios. Notwithstanding the foregoing, the fair market value of all assets disposed of in any Fiscal Year shall not exceed 5% of the aggregate value of current and noncurrent assets of the System.

The proceeds of such disposition shall either be deposited in the Capital Improvement Fund or used to redeem, Defeas or purchase Secured Obligations in the following order:

(Y) *First*, Senior Lien Obligations.

(Z) *Second*, Subordinate Lien Obligations.

(e) **Books and Records.** The Issuer shall maintain complete books and records pertaining to the System and all receipts and disbursements with respect thereto. All transactions shall be recorded within thirty days after the transaction giving rise to the entry.

(f) **Budget and Related Financial Data.** Not later than the beginning of each Fiscal Year, the Issuer shall deliver to the Trustee:

(1) the operating budget of the System for such Fiscal Year and the Issuer's calculation of the Required Operating Reserve for such Fiscal Year; and

(2) the capital improvement budget of the System for such Fiscal Year.

The budget in effect for any Fiscal Year may be amended or revised by the Issuer in accordance with changed circumstances and conditions at any time during such Fiscal Year. Any revised budget shall be delivered to the Trustee.

(g) **Audit.** The Issuer shall deliver to the Trustee audited financial statements of the System for each Fiscal Year, including a report by the Issuer's auditors with respect to such financial statements, not later than 270 days after the date of issuance of the Warrants for the Fiscal Year ended September 30, 2013 and not later than 270 days after the end of each Fiscal Year thereafter.

(h) **No Free Service.** The Issuer shall not furnish any free utility service to any person, including the State or any other political subdivision, provided that the Issuer may waive impact fees for municipal facilities that will be used directly by a municipal governing body for carrying out their governmental functions.

(i) **Imposition of Liens for Failure to Pay.** To the extent permitted by law, if the account of any customer of utility service supplied by the System shall remain unpaid after such account shall become due (or such longer period, if any, as may be required for compliance with applicable federal and state law) after exhausting reasonable collection efforts, the Issuer shall promptly impose a lien upon the real property of such customer, but upon subsequent payment of the account, including any penalties which may be provided for in the applicable schedule of rates and charges, together with all costs associated with imposition of such lien, the Issuer may release the lien imposed upon the real property of such customer.

(j) **Insurance.** The Issuer shall maintain insurance with respect to the System against such risks as are customarily insured against by utility systems similar in size and character to the System, including:

(1) Insurance against loss or damage by fire or other casualty covered by the standard form of extended coverage endorsement at the time in use in the State, with loss retention or deductible amounts from coverage that, in the judgment of the Issuer, are customary and prudent for the System;

(2) Self-insurance against liability for bodily injury to or death of persons (including the operation of vehicles owned or leased by the Issuer and used in connection with the System), in the minimum amounts of \$100,000 for bodily injury or death for one person in any single occurrence or \$300,000 in the aggregate where more than two persons have claims or judgments on account of bodily injury or death arising out of any single occurrence; provided, however, that the coverage required by this paragraph shall be increased should the law limiting the Issuer's liability for such risks be amended to increase the Issuer's exposure to such liability; and

(3) Workmen's compensation insurance respecting all employees of the System in such amount as is customarily carried by utility systems similar in size and character to the System; provided, that the Issuer may, at its election, be self-insured for such risk to the extent customary at the time for utility systems similar in size and character to the System.

SECTION 10.9 Maintenance of Rates

(a) The Confirmed Plan of Adjustment includes the Issuer's obligation to comply with the Rate Resolution. The Issuer hereby adopts the Rate Resolution as part of this Indenture and hereby covenants and agrees that, so long as any of the Secured Obligations are Outstanding, it will keep the Rate Resolution in full force and effect and will comply with the terms of the Rate Resolution. The Issuer's obligation to comply with the Rate Resolution is cumulative and in addition to its separate and independent covenant and agreement to comply with the terms and conditions of **Section 10.9(b)** and **Section 10.9(c)**.

(b) If the results of operations for the System for any Fiscal Year fail to comply with the Required Coverage Ratios, within 90 days after the beginning of the following Fiscal Year, the Issuer shall deliver to the Trustee (i) a revised schedule of rates and charges for System services, duly adopted by the Issuer after the beginning of the prior Fiscal Year (or during the then current Fiscal Year), (ii) a forecast of results of operations for the then current Fiscal Year, and (iii) a certificate of the Issuer's County Manager and Chief Financial Officer stating in effect that, after taking into account remedial action approved by the Issuer (including such revised schedule of rates and charges), the Issuer reasonably expects in good faith to be in compliance with the Required Coverage Ratios as of the end of such Fiscal Year.

(c) If the results of operations of the System fail to comply with the Required Coverage Ratios for two consecutive Fiscal Years, within 60 days after the beginning of the following Fiscal Year, the Issuer shall retain an Independent Consultant to recommend a revised schedule of rates and charges for System services and other actions to improve the results of operations for the System in accordance with the following procedures.

(1) The Issuer shall notify the Trustee of the identity of the proposed Independent Consultant, and the Trustee shall send notice of such proposed engagement to the Holders containing information on how to object to the proposed Independent Consultant. If both the Holders of more than 50% of the outstanding principal amount of the Senior Lien Obligations and the Holders of more than 50% of the outstanding principal amount of the Subordinate Lien Obligations object to the identity of the Issuer's proposed Independent Consultant in writing in accordance with the instructions of the Trustee within 15 calendar days of the giving of such notice, the Trustee shall provide notice to the Issuer of the Holders' rejection of the Issuer's proposed Independent Consultant together with the results of voting. If the requisite percentages of Holders do not reject the Issuer's proposed Independent Consultant in writing, the Trustee shall notify the Issuer that the Holders have not rejected the Issuer's proposed Independent Consultant.

(2) If the Holders vote to reject the Issuer's proposed Independent Consultant, the Issuer shall propose a new Independent Consultant to the Trustee, and the process provided for in **Section 10.9(c)(1)** shall be repeated until the requisite percentages of Holders do not reject the Issuer's proposed Independent Consultant.

(3) Within 45 days after the end of the last Holder notice and voting period provided for in the previous subparagraphs, the Issuer shall deliver to the Trustee a report of the Independent Consultant containing (i) the Independent Consultant's recommendation for a revised schedule of rates and charges for System services, (ii) recommendations for other actions to improve the results of operations of the System, (iii) a forecast of results of operations for such Fiscal Year (taking into account the remedial actions recommended), and (iv) a statement by the Independent Consultant that, after taking into account remedial action recommended, it expects the Issuer to be in compliance with the Required Coverage Ratios as of the end of such Fiscal Year. The engagement of an Independent Consultant shall be continued or renewed each Fiscal Year until the Issuer has achieved compliance with the Required Coverage Ratios for a full Fiscal Year. A new or revised report must be delivered by the Independent Consultant in each Fiscal Year of the engagement. The Issuer shall adopt the Independent Consultant's recommended schedule of rates and charges not later than 30 days after the delivery of any such report to the Trustee and shall follow the other recommendations of the Independent Consultant to the extent feasible and lawful.

(d) If the Issuer undertakes the remedial action required by **Section 10.9(b)** and **Section 10.9(c)**, the failure to achieve the Required Coverage Ratios in any one Fiscal Year shall not constitute an Indenture Default; provided, however, that (i) any default in the payment of Debt Service on Secured Obligations shall constitute an Indenture Default under **Section 11.1(a)**; and (ii) the failure to make a Required Transfer or Deposit shall, after notice and the passage of time provided in **Section 11.1(b)**, constitute an Indenture Default under **Section 11.1(b)**. If the Issuer undertakes the remedial action required by **Section 10.9(c)** and **Section 10.9(c)**, the failure to achieve the Required Coverage Ratios in three consecutive Fiscal Years shall not constitute an Indenture Default if the Issuer demonstrates compliance with the Required Coverage Ratios by substituting "115%" for "125%" in the ratio applicable to Senior Lien Obligations; otherwise, a failure to achieve the Required Coverage Ratios in three consecutive Fiscal Years shall constitute an Indenture Default under **Section 11.1(d)**, without regard to any provisions requiring notice or permitting an opportunity to cure, even if the Issuer is undertaking remedial action.

ARTICLE II

Defaults and Remedies

SECTION 11.1 Events of Default

Any one or more of the following shall constitute an event of default (an "Indenture Default") under this Indenture (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) failure to pay Debt Service on any Secured Obligation when such Debt Service becomes due and payable, whether at its scheduled due date, by declaration of acceleration or call for redemption or otherwise; or
- (b) failure by the Issuer to make any Required Transfer or Deposit for more than 10 days after notice from the Trustee of such failure; or
- (c) failure by the Issuer to restore the Reserve Fund Requirement to its required balance within 13 months of the latest withdrawal from any Secured Obligation Reserve Fund; or
- (d) default in the performance, or breach, of any covenant or warranty of the Issuer in this Indenture (other than a covenant or warranty a default in the performance or breach of which is elsewhere in this Section specifically dealt with), and continuance of such default or breach for a period of 30 days after written notice of such default or breach, stating that such notice is a "notice of default" hereunder, has been given to the Issuer by the Trustee, or to the Issuer and the Trustee by the Holders of at least 25% in principal amount of either (1) the Outstanding Secured Obligations or (2) the Outstanding Senior Lien Obligations, unless, in the case of a default or breach that cannot be cured by the payment of money, the Issuer initiates efforts to correct such default or breach within 30 days from the receipt of such notice and diligently pursues such action until the default or breach is corrected; or
- (e) an Act of Bankruptcy by the Issuer, or
- (f) an event of default, as therein defined, shall occur under any Supplemental Indenture and any applicable grace or notice period shall expire.

SECTION 11.2 Remedies

- (a) **Acceleration of Maturity by Trustee.** If an Indenture Default exists, the Trustee may declare the principal of all Secured Obligations, the interest accrued thereon or the Accreted Value thereof to be due and payable immediately, by notice to the Issuer, and upon any such declaration such Debt Service shall become immediately due and payable. At any time after such a declaration of acceleration has been made pursuant to this *Section 11.2(a)*, the Holders of a majority in principal amount of the Secured Obligations Outstanding may, by notice to the Issuer and the Trustee, rescind and annul such declaration and its consequences if:
 - (1) the Issuer has deposited with the Trustee a sum sufficient to pay
 - (A) all overdue installments of interest on all Secured Obligations,
 - (B) the principal of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,
 - (C) the Accreted Value of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,
 - (D) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Secured Obligations, and
 - (E) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and
 - (2) all Indenture Defaults, other than the nonpayment of the principal or Accreted Value of Secured Obligations which has become due solely by such declaration of acceleration, have been cured or have been waived as provided in *Section 11.10*; and

- (3) no less than a majority in principal amount of the Senior Lien Obligations Outstanding consent to any rescission and annulment of acceleration of the Secured Obligations by the Trustee.
- No such rescission and annulment shall affect any subsequent default or impair any right consequent thereupon.
- (b) **Acceleration of Maturity by Holders.** If an Indenture Default exists, the Holders of not less than a majority in principal amount of the Outstanding Secured Obligations may declare the principal of all Secured Obligations, the interest accrued thereon or the Accreted Value thereof to be due and payable immediately, by notice to the Issuer and to the Trustee, and upon any such declaration such Debt Service shall become immediately due and payable, provided that no declaration of any Secured Obligations may be declared by the Holders thereof unless no less than a majority in principal amount of the Outstanding Senior Lien Obligations declare, or consent to a declaration of, acceleration of the Secured Obligations. At any time after such a declaration of acceleration has been made pursuant to and in compliance with this *Section 11.2(b)*, the Holders of a majority in principal amount of the Secured Obligations Outstanding may, by notice to the Issuer and the Trustee, rescind and annul such declaration and its consequences if:
 - (1) the Issuer has deposited with the Trustee a sum sufficient to pay
 - (A) all overdue installments of interest on all Secured Obligations,
 - (B) the principal of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,
 - (C) the Accreted Value of any Secured Obligations which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Secured Obligations,
 - (D) to the extent that payment of such interest is lawful, interest upon overdue installments of interest at the rate or rates prescribed therefor in the Secured Obligations, and
 - (E) all sums paid or advanced by the Trustee hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel; and
 - (2) all Indenture Defaults, other than the nonpayment of the principal or Accreted Value of Secured Obligations which has become due solely by such declaration of acceleration, have been cured or have been waived as provided in *Section 11.10*; and
 - (3) no less than a majority in principal amount of the Senior Lien Obligations Outstanding consent to any rescission and annulment of acceleration of the Secured Obligations by the Holders.

- No such rescission and annulment shall affect any subsequent default or impair any right consequent thereupon.
- (c) **Receiver.** If an Indenture Default exists, the Trustee shall be entitled, upon the order of any court of competent jurisdiction, to the appointment of a receiver for the System and the System Revenues. The court appointing such receiver may grant to such receiver all powers and duties permitted by law, including the power to operate and maintain the System, the power to establish rates and charges for utility services provided by the System, and the power to collect all System Revenues.
 - (d) **Enforcement of the Confirmed Plan of Adjustment.** If an Indenture Default exists, the Trustee shall be entitled to petition the Bankruptcy Court or any other court of competent jurisdiction for an order enforcing the requirements of the Confirmed Plan of Adjustment, including an order compelling the Issuer to take one or more of the following remedial actions:
 - (1) increase rates charged for System services so that the System generates sufficient revenues to cure any default under this Indenture, or

- (2) specifically perform the terms of the Rate Resolution or this Indenture.
- (e) **Rights and Remedies Cumulative.** No right or remedy herein conferred upon or reserved to the Trustee or to the Holders of Secured Obligations is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.
- (f) **Remedies Subject to Applicable Law.** All rights, remedies and powers provided by this Article may be exercised only to the extent that 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 Indenture invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law.

SECTION 11.3 Application of Money Collected

(a) So long as an Indenture Default exists and so long as the Trustee or the Holders have not elected the remedies described in *Section 11.2(a)* or *11.2(b)*, any money collected by the Trustee from System Revenues and any other sums then held by the Trustee as part of the General Trust Estate, shall be applied by the Trustee in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any), Accreted Value or interest, on the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any), Accreted Value, or interest on the Secured Obligations:

- (1) **First:** To the payment of all undeducted amounts due the Trustee under *Section 12.7*;
- (2) **Second:** To the payment to the Holders entitled thereto of all installments of interest (but not Accreted Value) then due on Senior Lien Obligations, in the order of the maturity of such amounts; and if the amount available shall not be sufficient to pay in full any particular installment or amount then due, then to payment ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any preference or priority;
- (3) **Third:** To the payment to the Holders entitled thereto of the unpaid principal (or premium, if any), Accreted Value or redemption price of any Senior Lien Obligations which shall have become due (other than Senior Lien Obligations called for redemption for which moneys are held pursuant to the provisions of *Section 7.6* of this Indenture) in the order of their due dates; and if the amount available shall not be sufficient to pay in full all principal (or premium, if any) or Accreted Value due whether at maturity or by call for redemption on any particular date, then to the amount of such principal (or premium, if any) or Accreted Value, ratably, according to the amount of principal (or premium, if any) or Accreted Value due on such date, to the Holders entitled thereto, without any preference or priority;
- (4) **Fourth:** To payment of all amounts described in *Section 9.2(a)(2)*, without regard to references to amounts due the Trustee, provided that, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such amounts described in *Section 9.2(a)(2)*, then to the payment of such amounts due, without any preference or priority, ratably according to the aggregate amount so due;
- (5) **Fifth:** To the payment to the Holders entitled thereto of all installments of interest (but not Accreted Value) then due on Subordinate Lien Obligations, in the order of the maturity of such amounts; and if the amount available shall not be sufficient to pay in full any particular installment or amount then due, then to payment ratably, according to the amounts due on such installment, to the Holders entitled thereto, without any preference or priority;
- (6) **Sixth:** To the payment to the Holders entitled thereto of the unpaid principal (or premium, if any), Accreted Value or redemption price of any Subordinate Lien Obligations which shall

have become due (other than Subordinate Lien Obligations called for redemption for which moneys are held pursuant to the provisions of *Section 7.6* of this Indenture) in the order of their due dates; and if the amount available shall not be sufficient to pay in full all principal (or premium, if any) or Accreted Value due whether at maturity or by call for redemption on any particular date, to the amount of such principal (or premium, if any) or Accreted Value, ratably, according to the amount of principal (or premium, if any) or Accreted Value due on such date, to the Holders entitled thereto, without any preference or priority;

(7) **Seventh:** To payment of all amounts described in *Section 9.2(a)(4)*, without regard to references to amounts due the Trustee, provided that, in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such amounts described in *Section 9.2(a)(4)*, then to the payment of such amounts due, without any preference or priority, ratably according to the aggregate amount so due;

(8) **Eighth:** To payment of amounts described in *Sections 9.2(a)(5)* through *9.2(a)(10)*, in the order specified in *Section 9.2*.

(b) So long as an Indenture Default exists and only upon the election of remedies described in *Section 11.2(a)* or *11.2(b)* and only for so long as the election of such remedies is not rescinded or annulled, any money collected by the Trustee from System Revenues and any other sums then held by the Trustee as part of the General Trust Estate, shall be applied by the Trustee in the following order, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal (or premium, if any), Accreted Value or interest, on the Secured Obligations:

- (1) **First:** To the payment of all undeducted amounts due the Trustee under *Section 12.7*;
- (2) **Second:** To the payment of the whole amount then due and unpaid upon the Outstanding Senior Lien Obligations for principal or Accreted Value and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Senior Lien Obligations) on overdue principal or Accreted Value and on overdue installments of interest (including amounts due any provider of Credit Enhancement); and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Senior Lien Obligations, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and
- (3) **Third:** To the payment of the whole amount then due and unpaid upon the Outstanding Subordinate Lien Obligations for principal or Accreted Value and interest, in respect of which or for the benefit of which such money has been collected, with interest (to the extent that such interest has been collected by the Trustee or a sum sufficient therefor has been so collected and payment thereof is legally enforceable at the respective rate or rates prescribed therefor in the Subordinate Lien Obligations) on overdue principal or Accreted Value and on overdue installments of interest (including amounts due any provider of Credit Enhancement); and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Subordinate Lien Obligations, then to the payment of such principal and interest, without any preference or priority, ratably according to the aggregate amount so due; and
- (4) **Fourth:** To the payment of the remainder, if any, to the Issuer or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

So long as an Indenture Default exists, if money in the General Trust Estate shall be insufficient to pay in full the whole amount so due and unpaid upon such Secured Obligations, then such amounts collected shall be applied by the Trustee in the order specified in *Section 11.3(b)(1)* through *(4)* to the payment of such amounts, and once such funds are insufficient to fully satisfy the Issuer's obligation with respect to amounts payable in the order specified, then such remaining funds shall be distributed by the Trustee on a pro rata basis to persons entitled thereto, without any preference or priority, according to the aggregate amount so due. Payments with respect to Secured Obligations owned by or on behalf of the Issuer shall be made only after all other Secured Obligations have been Defeased.

(c) Any money held by the Trustee as part of the Trust Estate that is for the sole benefit of a specified series of Secured Obligations (including the Series 2013 Senior Lien Trust Estate and the Series 2013 Subordinate Lien Trust Estate) shall be applied to the amount due for principal (and premium, if any) and interest on such Secured Obligations without any preference or priority, ratably according to the aggregate amount so due on Secured Obligations of such series. The Trustee may apply funds on deposit for the sole benefit of a specified series of Secured Obligations prior to applying funds on deposit in the General Trust Estate to such series of Secured Obligations.

(d) Notwithstanding the provisions of *Section 9.2* and *Sections 11.3(a), 11.3(b)* and *11.3(c)*, if an Indenture Default exists and is continuing, the Trustee in its discretion (or a receiver on behalf of the Trustee) may apply System Revenues to the extent necessary to:

- (1) allow the Issuer to preserve, maintain and operate the System prior to the payment of Debt Service on Secured Obligations and prior to payment of amounts owed providers of Credit Enhancement, or
- (2) pay amounts described in *Section 9.2(a)(8)*.

SECTION 11.4 Trustee May Enforce Claims without Possession of Secured Obligations

All rights of action and claims under this Indenture or the Secured Obligations may be prosecuted and enforced by the Trustee without the possession of any of the Secured Obligations or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust. Any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Secured Obligations subject to and pursuant to the terms of this Indenture.

SECTION 11.5 Limitation on Suits

No Holder of any Secured Obligation shall have any right to institute any proceeding, judicial or otherwise, under or with respect to this Indenture, or for the appointment of a receiver or trustee or for any other remedy hereunder, unless

- (a) such Holder has previously given notice to the Trustee of a continuing Indenture Default;
- (b) the Holders of not less than a majority in principal amount of the Outstanding Secured Obligations shall have made request to the Trustee to institute proceedings in respect of such Indenture Default in its own name as Trustee hereunder;
- (c) the Holders of not less than a majority in principal amount of the Senior Lien Obligations Outstanding deliver such request, or consent to any request, to the Trustee to institute proceedings in respect of such Indenture Default hereunder;
- (d) such Holder or Holders have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- (e) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceeding; and
- (f) no direction inconsistent with such request has been given to the Trustee during such 60-day period by either (1) the Holders of a majority in principal amount of the Outstanding Senior Lien Obligations or (2) the Holders of a majority in principal amount of the Outstanding Secured Obligations;

it being understood and intended that no one or more Holders of Secured Obligations shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the lien of this Indenture or the rights or priority of any other Holders of Secured Obligations, or to obtain or to seek to

obtain priority or preference over any other Holders or to enforce any right under this Indenture, except in the manner herein provided and, except as otherwise expressly provided herein, for the equal and ratable benefit of all Outstanding Secured Obligations according to their respective priority under this Indenture.

SECTION 11.6 Unconditional Right of Holders of Secured Obligations to Payment

Notwithstanding any other provision in this Indenture, the Holder of any Secured Obligation shall have the right which is absolute and unconditional to receive payment of the principal of (and premium, if any) and interest on such Secured Obligation on the Maturity Date expressed in such Secured Obligation (or, in the case of redemption, on the redemption date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 11.7 Restoration of Positions

If the Trustee or any Holder of a Secured Obligation has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason or has been determined adversely to the Trustee or to such Holder, then and in every such case the Issuer, the Trustee and the Holders of Secured Obligations shall, subject to any determination in such proceeding, be restored to their former positions hereunder, and thereafter all rights and remedies of the Trustee and the Holders of Secured Obligations shall continue as though no such proceeding had been instituted.

SECTION 11.8 Delay or Omission Not Waiver

No delay or omission of the Trustee or of any Holder of Secured Obligations to exercise any right or remedy accruing upon an Indenture Default shall impair any such right or remedy or constitute a waiver of any such Indenture Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders of Secured Obligations may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by such Holders, as the case may be.

SECTION 11.9 Control by Holders of Senior Lien Obligations

The Holders of a majority in principal amount of the Outstanding Senior Lien Obligations shall have the right, during the continuance of an Indenture Default,

- (a) to require the Trustee to proceed to enforce this Indenture, either by judicial proceedings for the enforcement of the payment of the Secured Obligations or otherwise, and
- (b) to direct the choice of remedies and the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee hereunder, including the power to direct or withhold directions with respect to any remedy available pursuant to *Section 11.2*; provided that

- (1) such direction shall not be in conflict with any rule of law or this Indenture,
- (2) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction, and
- (3) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the Holders of either Senior Lien Obligations or Subordinate Lien Obligations not taking part in such direction.

SECTION 11.10 Waiver of Past Defaults

(a) Before any judgment or decree for payment of money due has been obtained by the Trustee, the Holders of not less than a majority in principal amount of the Outstanding Secured Obligations may, by notice to the Trustee and the Issuer, on behalf of all Holders of Secured Obligations waive in writing any past default hereunder or under any other Secured Obligation Document and its consequences, except a default

the Outstanding Secured Obligations (or the Holders of a majority in aggregate principal amount of Senior Lien Obligations pursuant to *Section 11.9*) relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(3) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 12.2 Notice of Defaults

(a) If a notice event described in *Section 12.2(b)* exists, the Trustee shall notify Holders of Secured Obligations of such event within 30 days after the Trustee becomes aware of its existence; provided, however, that the Trustee shall be protected in withholding such notice if (1) the notice event has been cured or waived or otherwise ceases to exist before such notice is given; or (2) the Trustee determines in good faith that the withholding of such notice is in the interest of Holders of Secured Obligations.

(b) For purposes of this Section, the following shall constitute "notice events":

- (1) the occurrence of an Indenture Default; and
- (2) any event which is, or after notice or lapse of time or both would become, an Indenture Default.

SECTION 12.3 Certain Rights of Trustee

Subject to *Section 12.1*:

(a) The Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request or direction of the Issuer mentioned herein shall be sufficiently evidenced by a certificate or order executed by an Authorized Issuer Representative.

(c) Whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon a certificate executed by an Authorized Issuer Representative.

(d) The Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by the Trustee hereunder in good faith and in reliance thereon.

(e) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Secured Obligations pursuant to this Indenture, unless such Holders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

- (1) in the payment of Debt Service on any Secured Obligation, or
- (2) in respect of a covenant or provision hereof which under *Article 13* cannot be modified or amended without the consent of the Holder of each Outstanding Secured Obligation affected;

provided that no waiver of any past default may be effected by the Holders unless not less than a majority in principal amount of the Outstanding Senior Lien Obligations consent to such waiver.

(b) Upon any such waiver, such default shall cease to exist, and any Indenture Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 11.11 Suits to Protect the Trust Estate

The Trustee shall have power to institute and to maintain such proceedings as it may deem expedient to prevent any impairment of the Trust Estate by any acts which may be unlawful or in violation of this Indenture and to protect its interests and the interests of the Holders of Secured Obligations in the Trust Estate and in the rents, issues, profits, revenues and other income arising therefrom, including power to institute and maintain proceedings to restrain the enforcement of or compliance with any governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interests of the Holders of Secured Obligations or the Trustee.

ARTICLE 12

The Trustee

SECTION 12.1 Certain Duties and Responsibilities of Trustee

(a) Except during the continuance of an Indenture Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) If an Indenture Default exists, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) The Trustee shall not incur liability for its action or inaction with respect to the performance of its duties and obligations under this Indenture unless such action or inaction constitutes willful misconduct or gross negligence under the circumstances. Liability of the Trustee for such action or inaction shall be further limited as follows:

(1) the Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was grossly negligent in ascertaining the pertinent facts;

(2) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in aggregate principal amount of

(f) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books and records of the Issuer, personally or by agent or attorney.

(g) The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder.

SECTION 12.4 Trustee Not Responsible for Statements of Issuer

The provisions of this Indenture and the Secured Obligations, except the certificate of authentication on any Secured Obligations, shall be taken as the statements of the Issuer, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Trust Estate or any part thereof, or as to the title of the Issuer thereto or as to the security afforded thereby or hereby, or as to the validity or sufficiency of this Indenture or of the Secured Obligations. The Trustee shall have no responsibility for statements of the Issuer contained in any securities disclosure document, continuing disclosure filing, or other public offering document or statement relating to the Warrants or any additional Secured Obligations.

SECTION 12.5 May Hold Secured Obligations

The Trustee in its individual or any other capacity, may become the Holder or pledgee of Secured Obligations and may otherwise deal with the Issuer with the same rights it would have if it were not Trustee.

SECTION 12.6 Money Held in Trust

Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent expressly provided in this Indenture or required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as otherwise expressly provided in **Article 9**.

SECTION 12.7 Compensation and Reimbursement

(a) The Issuer agrees to pay to the Trustee, or to reimburse the Trustee for, but solely from the Trust Estate:

(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); and

(2) 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 gross negligence or willful misconduct.

(b) As security for the performance of the obligations of the Issuer under this Section, the Trustee shall be secured under this Indenture by a lien prior and senior in right to Subordinate Lien Obligations, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any money held by it as a part of the Trust Estate in accordance with **Section 9.2**; provided that, so long as an Indenture Default exists, the Trustee shall be secured under this Indenture by a lien prior and senior in right to all Secured Obligations, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any money held by it as a part of the Trust Estate in accordance with **Section 11.3**.

(c) The Trustee shall provide the Issuer with itemized invoices for all expenses (including expenses of agents and its counsel) upon written request of the Issuer.

SECTION 12.8 Corporate Trustee Required; Eligibility

There shall at all times be a Trustee hereunder which shall (i) be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state, (ii) be authorized under such laws to exercise corporate trust powers, (iii) be subject to supervision or examination by federal or state authority, and (iv) have an investment grade rating for its long-term deposits from each Rating Agency that provides a rating on any Secured Obligations or, if no Secured Obligations are rated, by any Rating Agency.

SECTION 12.9 Resignation and Removal; Appointment of Successor

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee under **Section 12.10**.

(b) The Trustee may resign at any time by giving notice thereof to the Issuer. If an instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by the Holders of a majority in principal amount of the Outstanding Secured Obligations, only if approved by a majority in principal amount of the Outstanding Senior Lien Obligations, with or without cause, by notice delivered to the Trustee and the Issuer. If no Indenture Default exists, the Trustee may be removed at any time by the Issuer, with or without cause, by notice delivered to the Trustee.

(d) If at any time:

(1) the Trustee shall cease to be eligible under **Section 12.8** and shall fail to resign after request therefor by the Issuer or by any Holder of Secured Obligations who has been a bona fide Holder of a Secured Obligation for at least six months, or

(2) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property (including any "orderly liquidation authority" under 12 U.S.C. §§ 5381-5394) shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case (i) the Issuer may remove the Trustee, or (ii) any Holder of Secured Obligations who has been a bona fide Holder for at least six months may, only if approved by a majority in principal amount of the Outstanding Senior Lien Obligations, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, a successor Trustee shall be appointed by the Issuer. In case all or substantially all of the Trust Estate shall be in the possession of a receiver or trustee lawfully appointed, such receiver or trustee may similarly appoint a successor to fill such vacancy until a new Trustee shall be so appointed by the Holders of Secured Obligations. If, within one year after such resignation, removal or incapability or the occurrence of such vacancy, a successor Trustee shall be appointed by the Holders of a majority in principal amount of the Outstanding Secured Obligations, only if such action is approved by a majority in principal amount of the Outstanding Senior Lien Obligations, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Issuer or by such receiver or trustee. If no successor Trustee shall have been so appointed by the Issuer or the Holders and accepted appointment in the manner hereinafter provided, any Holder of Secured Obligations who has been a bona fide Holder for at least six months may, on behalf of himself and all others similarly situated, petition any court of

competent jurisdiction for the appointment of a successor Trustee only if such action is approved by a majority in principal amount of the Outstanding Senior Lien Obligations.

(f) The Issuer shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee, to the Holders of Secured Obligations and to the providers of Credit Enhancement.

SECTION 12.10 Acceptance of Appointment by Successor

(a) Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to the Issuer and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee; but, upon request of the Issuer or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder, subject nevertheless to its lien, if any, provided for in *Section 12.7*. Upon request of any such successor Trustee, the Issuer shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

(b) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article, to the extent operative.

SECTION 12.11 Merger, Conversion, Consolidation or Succession to Business

Any corporation or association into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, or any purchaser of the Trustee or business unit exercising the duties of the Trustee under this Indenture shall be the successor of the Trustee hereunder, provided such corporation or association shall be otherwise qualified and eligible under this Article, to the extent operative, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Secured Obligations shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Secured Obligations so authenticated with the same effect as if such successor Trustee had itself authenticated such Secured Obligations.

SECTION 12.12 Series 2013 Collateral Support Agreement

The Trustee is entering into the Series 2013 Collateral Support Agreement solely at the direction of the Issuer. The Issuer agrees that this Article shall apply to the Trustee's actions, if any, under the Series 2013 Collateral Support Agreement to the same extent as this Indenture. The Trustee is entitled to compensation and reimbursement for its fees and expenses incurred under the Series 2013 Collateral Support Agreement as provided in *Section 12.7*.

ARTICLE 13

Amendment of Secured Obligation Documents

SECTION 13.1 General Requirements for Amendments

The Trustee may, on its own behalf and on behalf of the Holders of Secured Obligations, from time to time enter into, or consent to, an amendment of any Secured Obligation Document only as permitted by this Article.

SECTION 13.2 Amendments Without Consent of Holders of Secured Obligations

An amendment of the Secured Obligation Documents for any of the following purposes may be made, or consented to, by the Trustee without the consent of the Holders of any Secured Obligations:

- (a) to correct or amplify the description of any property at any time subject to the lien of the Secured Obligation Documents, or better to assure, convey and confirm unto any secured party any property subject or required to be subjected to the lien of the Secured Obligation Documents, or to subject to the lien of this Indenture, additional property; or
- (b) to evidence the succession of another person to any Financing Participant and the assumption by any such successor of the covenants of such Financing Participant (provided that the requirements of this Indenture for such succession and assumption are otherwise satisfied); or
- (c) to add to the covenants of any Financing Participant for the benefit of Holders of Secured Obligations and to make the occurrence, or the occurrence and continuance, of a default in any of such additional covenants an event of default under the Secured Obligation Documents permitting the enforcement of all or any of the several remedies provided therein; provided, however, that with respect to any such covenant, such amendment may provide for a particular period of grace after default (which period may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such default or may limit the remedies available upon such default; or
- (d) to surrender any right or power conferred upon any Financing Participant other than rights or powers for the benefit of Holders of Secured Obligations; or
- (e) to cure any ambiguity or to correct any inconsistency, provided such action shall not adversely affect the interests of the Holders of Secured Obligations; or
- (f) to appoint a separate agent of the Issuer or the Trustee to perform any one or more of the following functions: (i) registration of transfers and exchanges of Secured Obligations and (ii) payment of Debt Service on the Secured Obligations; provided, however, that any such agent must be a bank or trust company with long-term obligations, at the time such appointment is made, in one of the three highest rating categories of at least one Rating Agency; or
- (g) to facilitate and administer the addition of Credit Enhancement for the benefit of Holders of Secured Obligations, provided that such provisions do not adversely affect the interests of Holders of Secured Obligations not secured by such Credit Enhancement.

SECTION 13.3 Amendments Requiring Consent of All Affected Holders of Secured Obligations

An amendment of the Secured Obligation Documents for any of the following purposes may be entered into, or consented to, by the Trustee only with the consent of the Holder of each Secured Obligation affected:

- (a) to change the stated Maturity Date of the principal of, or any installment of interest on, any Secured Obligation, or reduce the principal amount or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which any Secured Obligation or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the stated Maturity Date thereof (or, in the case of redemption, on or after the redemption date); or
- (b) to reduce the percentage in principal amount of the Outstanding Secured Obligations, the consent of whose Holders is required for any amendment of the Secured Obligation Documents, or the consent of whose Holders is required for any waiver provided for in the Secured Obligation Documents; or
- (c) to modify or alter the provisions of the proviso to the definition of the term "Outstanding"; or

(d) to modify any of the provisions of this Section or *Section 11.10*, except to increase any percentage provided thereby or to provide that certain other provisions of the Secured Obligation Documents cannot be modified or waived without the consent of the Holder of each Secured Obligation affected thereby; or

(e) to permit the creation of any lien ranking prior to or on a parity with the lien of the Secured Obligation Documents with respect to any of the Trust Estate or terminate the lien of the Secured Obligation Documents on any property at any time subject hereto or deprive the Holder of any Secured Obligation of the security afforded by the lien of the Secured Obligation Documents; or

(f) to change the priority of payment of Secured Obligations, including the provisions of *Section 9.2* and *Section 11.3* regarding priority of payment of Senior Lien Obligations and Subordinate Lien Obligations; or

(g) to eliminate, reduce or delay the obligation of the Issuer to make payments at times and in amounts sufficient to pay Debt Service on the Secured Obligations.

SECTION 13.4 Amendments Requiring Majority Consent of Holders of Secured Obligations

An amendment of the Secured Obligation Documents for any purpose not described in *Sections 13.2* or *13.3* may be entered into, or consented to, by the Trustee only with the consent of both (a) the Holders of a majority in principal amount of Senior Lien Obligations Outstanding, and (b) the Holders of a majority in principal amount of all Secured Obligations Outstanding.

SECTION 13.5 Discretion of Trustee

The Trustee may in its discretion determine whether or not any Secured Obligations would be affected by any amendment of the Secured Obligation Documents and any such determination shall be conclusive upon the Holders of all Secured Obligations (including persons deemed Holders by another provision of this Indenture, such as *Section 15.2(e)*), whether theretofore or thereafter authenticated and delivered hereunder. The Trustee shall not be liable for any such determination made in good faith, and the Trustee may conclusively rely on an Opinion of Counsel with respect to any such determination, so long as such reliance is in good faith.

SECTION 13.6 Trustee Protected by Opinion of Counsel

In executing or consenting to any amendment permitted by this Article, the Trustee shall be entitled to receive, and, subject to *Section 12.1*, shall be fully protected in relying upon, an Opinion of Counsel, so long as such reliance is in good faith, stating that the execution of such amendment is authorized or permitted by the Secured Obligation Documents.

SECTION 13.7 Amendments Affecting Trustee's Personal Rights

The Trustee may, but shall not be obligated to, enter into any amendment that affects the Trustee's own rights, duties or immunities under the Secured Obligation Documents.

SECTION 13.8 Effect on Holders of Secured Obligations

Upon the execution of any amendment under this Article, every Holder of Secured Obligations theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 13.9 Reference in Secured Obligations to Amendments

Secured Obligations authenticated and delivered after the execution of any amendment under this Article shall, if required by such amendment or by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such amendment. New Secured Obligations so modified as to conform to any such amendment shall, if required by such amendment or by the Trustee, be prepared and executed by the Issuer and authenticated and delivered by the Trustee in exchange for Outstanding Secured Obligations.

SECTION 13.10 Amendments Not to Affect Tax Exemption

No amendment may be made to the Secured Obligation Documents unless the Trustee receives a Favorable Tax Opinion.

ARTICLE 14

Defeasance

SECTION 14.1 Payment of Indenture Indebtedness; Satisfaction and Discharge of Indenture

(a) Whenever all Indenture Indebtedness has been Defeased, then (i) this Indenture and all the liens, rights and interests created hereby shall cease, terminate and become null and void (except as to any surviving rights of transfer or exchange of Secured Obligations herein or therein provided for), and (ii) the Trustee shall, upon the request of the Issuer, execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer and deliver to the Issuer or upon the order of the Issuer, all cash and securities then held by it hereunder as a part of the Trust Estate.

(b) A Secured Obligation shall be deemed "Defeased" if

(1) such Secured Obligation has been cancelled by the Trustee or delivered to the Trustee for cancellation, or

(2) such Secured Obligation shall have matured or been called for redemption and, on such Maturity Date or redemption date, money for the payment of Debt Service on such Secured Obligation is held by the Trustee in trust for the benefit of the person entitled thereto, or

(3) a trust for the payment of such Secured Obligation has been established in accordance with *Section 14.2*.

(c) Indenture Indebtedness other than Debt Service on the Secured Obligations shall be deemed "Defeased" whenever the Issuer has paid, or made provisions satisfactory to the Trustee for payment of, all such Indenture Indebtedness.

SECTION 14.2 Trust for Payment of Debt Service

(a) The Issuer may provide for the payment of any Secured Obligation by establishing a trust for such purpose with the Trustee and depositing therein cash and/or Federal Securities, which (assuming the due and punctual payment of the principal of and interest on such Federal Securities, but without reinvestment) will provide funds sufficient to pay the Debt Service on such Secured Obligation as the same becomes due and payable until the Maturity or redemption of such Secured Obligation; provided, however, that:

(1) Such Federal Securities must not be subject to redemption prior to their respective maturities at the option of the issuer of such Securities.

(2) If such Secured Obligation is to be redeemed prior to its Maturity Date, either (i) the Trustee shall receive evidence that notice of such redemption has been given in accordance with the provisions of this Indenture and such Secured Obligation or (ii) the Issuer shall confer on the Trustee irrevocable authority for the giving of such notice.

(3) If such Secured Obligation bears interest at a variable rate, such trust must provide for payment of interest at the maximum rate payable on such Secured Obligation until such Secured Obligation is to be retired.

(4) Such Secured Obligation shall not be subject to repurchase by the Issuer or the provider of any Credit Enhancement with respect to such Secured Obligation during the period such trust will be in effect.

(5) Prior to the establishment of such trust the Trustee must receive a Favorable Tax Opinion.

(6) Prior to the establishment of such trust, the Trustee must receive verification from an independent third-party verification agent, experienced in the preparation of such reports, which may be an Independent Certified Public Accountant confirming that the principal and interest payments on the Federal Securities in such trust, without reinvestment, together with the cash balance in such trust remaining after purchase of such Securities, will be sufficient to make the required payments from such trust.

(b) Any trust established pursuant to this Section may provide for payment of less than all Secured Obligations outstanding including less than all Secured Obligations of any series or maturity; provided that, so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, the provisions of this Section shall be subject in all respects to **Section 15.5**.

(c) If any trust provides for payment of less than all Secured Obligations of the same Tenor, the Secured Obligations of such Tenor to be paid from the trust shall be selected by the Trustee by lot by such method as shall provide for the selection of portions (in Authorized Denominations) of the principal of Secured Obligations as such Tenor of a denomination larger than the smallest Authorized Denomination or as otherwise required by the Book Entry System. Such selection shall be made within seven days after such trust is established. This selection process shall be in lieu of the selection process otherwise provided with respect to redemption of Secured Obligations. After such selection is made, Secured Obligations that are to be paid from such trust (including Secured Obligations issued in exchange for such Secured Obligations pursuant to the transfer or exchange provisions of this Indenture) shall be identified by a separate CUSIP number or other designation satisfactory to the Trustee. The Trustee shall notify Holders whose Secured Obligations (or portions thereof) have been selected for payment from such trust and shall direct such Holders to surrender their Secured Obligations to the Trustee in exchange for Secured Obligations with the appropriate designation. The selection of Secured Obligations for payment from such trust pursuant to this Section shall be conclusive and binding on the Financing Participants.

(d) Cash and/or Federal Securities deposited with the Trustee pursuant to this Section shall not be a part of the Trust Estate but shall constitute a separate, irrevocable trust fund for the benefit of the Holder of the Secured Obligation to be paid from such fund.

ARTICLE 15

Provisions Relating to the Series 2013 Insurer

SECTION 15.1 Applicability of this Article

(a) Notwithstanding anything to the contrary contained in this Indenture, so long as the Series 2013 Insurance Policy remains in full force and effect and the Series 2013 Insurer is not then in payment default under the Series 2013 Insurance Policy, the provisions of this **Article 15** shall apply for the benefit of the Series 2013 Insurer; provided that to the extent that the Series 2013 Insurer has made any payment of principal of or interest on the Insured Series 2013 Warrants it shall retain its rights of subrogation hereunder and under the Series 2013 Insurance Policy.

(b) For purposes of this **Article 15**, except as otherwise expressly provided or unless the context otherwise requires, the following terms shall have the meaning indicated:

“Series 2013 Fiscal Agent” means the Series 2013 Insurer’s agent, as designated in writing to the Trustee pursuant to the Series 2013 Insurance Policy.

“Series 2013 Insurer Advances” means a sum equal to the total of all amounts paid by the Series 2013 Insurer under the Series 2013 Insurance Policy.

“Series 2013 Insurer Reimbursement Amounts” means interest on Series 2013 Insurer Advances from the date paid by the Series 2013 Insurer until payment thereof in full, payable to the Series 2013 Insurer at the Series 2013 Late Payment Rate.

“Series 2013 Late Payment Rate” means the greater of (A) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in New York, New York as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank) plus 3%, and (B) the then applicable highest rate of interest on the Insured Series 2013 Warrants; provided that the Series 2013 Late Payment Rate shall never exceed 12% per annum. The Series 2013 Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

“Series 2013 Payment Date” means any date scheduled for the regular payment of interest or principal on the Insured Series 2013 Warrants.

“Series 2013 Policy Payments Account” means the separate special purpose trust account for the benefit of Holders of the Insured Series 2013 Warrants established by the Trustee in connection with a claim under the Series 2013 Insurance Policy.

SECTION 15.2 Requirements of the Series 2013 Insurer

(a) The Series 2013 Insurer shall be deemed to be the sole holder of the Insured Series 2013 Warrants for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders of the Insured Series 2013 Warrants are entitled to take pursuant to this Indenture.

(b) Notwithstanding the provisions of **Section 11.2**, the maturity of Insured Series 2013 Warrants shall not be accelerated without the consent of the Series 2013 Insurer and in the event the maturity of the Insured Series 2013 Warrants is accelerated, the Series 2013 Insurer may elect, in its sole discretion, to pay accelerated principal and interest accrued, on such principal to the date of acceleration (to the extent unpaid by the Issuer) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Series 2013 Insurer’s obligations under the Series 2013 Insurance Policy with respect to such Insured Series 2013 Warrants shall be fully discharged.

(c) No grace period for a covenant default under this Indenture shall exceed 60 days or be extended for more than 90 days without the prior written consent of the Series 2013 Insurer. No grace period shall be permitted for payment defaults without the prior written consent of the Series 2013 Insurer.

(d) The Series 2013 Insurer is a third party beneficiary to this Indenture.

(e) Any amendment, supplement, or modification to this Indenture or any Credit Enhancement deemed applicable to Secured Obligations made pursuant to **Article 13** that requires the consent of Holders of the Insured Series 2013 Warrants or materially adversely affects the rights and interests of the Series 2013 Insurer shall be subject to the prior written consent of the Series 2013 Insurer.

(f) The rights granted to the Series 2013 Insurer under this Indenture to request, consent to or direct any action or rights granted to the Series 2013 Insurer in consideration of its issuance of the Series 2013 Insurance Policy.

(g) Amounts paid by the Series 2013 Insurer under the Series 2013 Insurance Policy shall not be deemed a payment of the principal of, Accreted Value of or interest on the Insured Series 2013 Warrants for purposes of this Indenture, and the Insured Series 2013 Warrants on which payments are made by the Series 2013 Insurer shall remain Outstanding and continue to be due and owing until paid by the Issuer in accordance with this

Indenture. This Indenture shall not be discharged with respect to the Insured Series 2013 Warrants unless all amounts due or to become due to the Series 2013 Insurer have been paid in full or duly provided for.

(b) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under this Indenture would adversely affect the security for the Insured Series 2013 Warrants or the rights of the Holders of the Insured Series 2013 Warrants, the Trustee shall consider the effect of any such amendment, consent, waiver, action or inaction as if there were no Series 2013 Insurance Policy.

(i) At least 5 Business Days prior to Defeasance of the Insured Series 2013 Warrants, the Issuer shall cause to be delivered to the Series 2013 Insurer the following:

(1) a draft verification report furnished pursuant to [Section 14.2\(a\)\(6\)](#) that includes the Series 2013 Insurer as an addressee or upon which the Series 2013 Insurer is expressly entitled to rely upon such report;

(2) a draft escrow agreement or other documentation evidencing the trust to be established under [Section 14.2](#); and

(3) a draft opinion of nationally recognized bond counsel addressed to the Series 2013 Insurer to the effect that, as a result of the Defeasance contemplated with respect to the Insured Series 2013 Warrants, the Insured Series 2013 Warrants will be no longer Outstanding under this Indenture.

The Issuer shall provide the Series 2013 Insurer final copies of the documents described in this [Section 15.2\(i\)](#) within a commercially reasonable period after Defeasance of the Insured Series 2013 Warrants.

SECTION 15.3 Claims and Payments under the Series 2013 Insurance Policy

(a) If, on the third Business Day prior to the related scheduled Series 2013 Payment Date, there is not on deposit with the Trustee, after making all deposits, transfers, and draws on Credit Enhancement (other than the Series 2013 Insurance Policy) required under this Indenture, moneys sufficient to pay the principal of, Accreted Value of and interest on the Insured Series 2013 Warrants due on such Series 2013 Payment Date, the Trustee shall give notice to the Series 2013 Insurer and to the Series 2013 Insurer Agent (if any) by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Series 2013 Payment Date, there continues to be a deficiency in the amount available to pay the principal of, Accreted Value of, and interest on the Insured Series 2013 Warrants due on such Series 2013 Payment Date, the Trustee shall make a claim under the Series 2013 Insurance Policy and give notice to the Series 2013 Insurer and the Series 2013 Insurer Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Insured Series 2013 Warrants and the amount required to pay principal or Accreted Value of the Insured Series 2013 Warrants, if any, confirmed in writing to the Series 2013 Insurer and the Series 2013 Insurer Agent (if any) by 12:00 noon, New York City time, on such second Business Day by filing in the form of Notice of Claim and Certificate delivered with the Series 2013 Insurance Policy.

(b) The Trustee shall designate any portion of payment of principal or Accreted Value of Insured Series 2013 Warrants paid by the Series 2013 Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount or Accreted Value of Insured Series 2013 Warrants registered to the then current holders of the Insured Series 2013 Warrants, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Series 2013 Warrant to the Series 2013 Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal or Accreted Value so paid; provided that the Trustee's failure to so designate any payment or issue any replacement Insured Series 2013 Warrants shall have no effect on the amount of principal, Accreted Value or interest payable by the Issuer on any Insured Series 2013 Warrants or the subrogation rights of the Series 2013 Insurer.

(c) The Trustee shall keep a complete and accurate record of all funds deposited by the Series 2013 Insurer into the Series 2013 Policy Payments Account and the allocation of such funds to payment of interest on and

principal or Accreted Value of any Insured Series 2013 Warrants. The Series 2013 Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

(d) Upon payment of a claim under the Series 2013 Insurance Policy, the Trustee shall establish a Series 2013 Policy Payments Account in the Series 2013 Senior Lien Debt Service Fund over which the Trustee shall have exclusive control and the sole right of withdrawal. The Trustee shall receive any amount paid under the Series 2013 Insurance Policy in trust on behalf of Holders of the Insured Series 2013 Warrants and shall deposit any such amount in the Series 2013 Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Holders of the Insured Series 2013 Warrants in the same manner as principal or Accreted Value and interest payments are to be made with respect to the Insured Series 2013 Warrants under the sections of this Indenture regarding payment of Insured Series 2013 Warrants. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

(e) Notwithstanding anything in this Indenture to the contrary:

(1) the Issuer agrees to pay to the Series 2013 Insurer a sum equal to the total Series 2013 Insurer Advances and Series 2013 Insurer Reimbursement Amounts,

(2) the Series 2013 Insurer Reimbursement Amounts shall be secured by a lien on and pledge of the General Trust Estate and the Series 2013 Senior Lien Trust Estate on a parity with the lien provided the Insured Series 2013 Warrants; and

(3) the Series 2013 Insurer Reimbursement Amounts shall be payable from the Senior Lien Debt Service Fund.

(f) Funds held in the Series 2013 Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. Any funds remaining in the Series 2013 Policy Payments Account following a Series 2013 Payment Date shall promptly be remitted to the Series 2013 Insurer.

(g) The Series 2013 Insurer shall, to the extent it makes any payment of principal or Accreted Value of or interest on the Insured Series 2013 Warrants, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Series 2013 Insurance Policy.

(h) The Issuer shall pay or reimburse the Series 2013 Insurer any and all reasonable charges, fees, costs and expenses that the Series 2013 Insurer may reasonably pay or incur in connection with (1) the administration, enforcement, defense or preservation of any rights or security in this Indenture or any Credit Enhancement applicable to the Insured Series 2013 Warrants, (2) the pursuit of any remedies under this Indenture or otherwise afforded by law or equity, (3) any amendment, waiver or other action with respect to, or related to, this Indenture or whether or not executed or completed, or (4) any litigation or other dispute in connection with this Indenture or the transactions contemplated thereby, other than costs resulting from the failure of the Series 2013 Insurer to honor its obligations under the Series 2013 Insurance Policy.

(i) The Series 2013 Insurer shall be entitled to pay principal or interest on the Insured Series 2013 Warrants that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer (as such terms are defined in the Series 2013 Insurance Policy), whether or not the Series 2013 Insurer has received a Notice of Nonpayment (as such terms are defined in the Series 2013 Insurance Policy) or a claim upon the Series 2013 Insurance Policy.

SECTION 15.4 Reporting Requirements to Series 2013 Insurer

- (a) The notice address of the Series 2013 Insurer is:

Assured Guaranty Municipal Corp.
31 West 52nd Street
New York, New York 10019
Attention: Managing Director – Surveillance,
Re: Policy No. [REDACTED].
Telephone: (212) 826 0100;
Teletypewriter: (212) 339 3556.

In each case in which notice or other communication refers to an Indenture Default, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the contact information listed in this Section and shall be marked to indicate "URGENT/MATERIAL ENCLOSED."

- (b) The Series 2013 Insurer shall be provided with the following information:

(1) The Issuer shall provide: (A) annual audited financial statements within 270 days after the end of the Issuer's Fiscal Year (together with a certification of the Issuer that it is not aware of any default or Indenture Default under this Indenture), and (B) the Issuer's annual budget within 30 days after the approval thereof together with such other information, data or reports as the Series 2013 Insurer shall reasonably request from time to time;

(2) The Trustee shall provide notice of any draw upon the Series 2013 Senior Lien Reserve Fund within five Business Days (together with knowledge thereof) other than (A) withdrawals of amounts in excess of the Series 2013 Senior Lien Reserve Fund Requirement and (B) withdrawals in connection with a refunding of the Senior Lien Obligations;

(3) The Issuer shall provide notice of any default known to the Issuer within five Business Days after knowledge thereof;

(4) The Issuer shall provide prior notice of the advance refunding or redemption of any of the Insured Series 2013 Warrants, including the principal amount, maturities and CUSIP numbers thereof;

(5) The Issuer shall provide notice of the resignation or removal of the Trustee and the appointment of, and acceptance of duties by, any successor thereto;

(6) The Issuer shall provide a full, complete copy of the transcript of all proceedings relating to the execution of any amendment or supplement to this Indenture; and

(7) The Issuer shall provide a copy of all reports, notices and correspondence delivered to the Holders of the Insured Series 2013 Warrants by it under the terms of this Indenture.

(c) To the extent that the Issuer has entered into a continuing disclosure agreement, covenant or undertaking with respect to the Insured Series 2013 Warrants, all information furnished pursuant to such agreements also shall be provided to the Series 2013 Insurer, simultaneously with the furnishing of such information, provided that if the information described in this paragraph is posted on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") System, the Issuer shall only need provide the Series 2013 Insurer notice that such information is available from EMMA.

(d) The Issuer will permit the Series 2013 Insurer to discuss the affairs, finances and accounts of the Issuer or any information the Series 2013 Insurer may reasonably request regarding the security for the Insured Series 2013 Warrants with appropriate officers of the Issuer and will use commercially reasonable efforts to enable the Series 2013 Insurer to have access to the facilities, books and records of the Issuer on any Business Day upon reasonable prior notice.

(e) If an Indenture Default has occurred and is continuing and the Trustee (or a receiver acting on behalf of the Trustee, if any) takes action pursuant to *Section 11.3(d)*, the Trustee (or a receiver acting on behalf of the Trustee, if any) will use commercially reasonable efforts to permit the Series 2013 Insurer to have access to the books and records relating to the System in its possession (or in the possession of a receiver acting on behalf of the Trustee, if any) on any Business Day upon reasonable prior notice.

SECTION 15.5 Maintenance of Ratio between Senior Lien Obligations and Subordinate Lien Obligations

For so long as the Series 2013 Insurance Policy is in effect and the Series 2013 Insurer is not in payment default thereunder, the Issuer shall not take the following actions, without the prior written consent of the Series 2013 Insurer:

(a) Call Secured Obligations for optional redemption so that the resulting ratio of Outstanding Senior Lien Obligations to all Secured Obligations Outstanding immediately after giving effect to such optional redemption exceeds the ratio specified for any one Fiscal Year, as provided in *Exhibit 15.5*; or

(b) Purchase, or cause to be purchased, Secured Obligations pursuant to *Section 6.2* or *7.9* so that the resulting ratio of Outstanding Senior Lien Obligations to all Secured Obligations Outstanding immediately after giving effect to such purchases exceeds the ratio specified for any one Fiscal Year, as provided in *Exhibit 15.5*.

SECTION 15.6 Additional Covenants of the Issuer

(a) Subject to the provisions of *Section 15.6(b)*, the Issuer covenants and agrees with the Series 2013 Insurer as follows:

(1) The Issuer shall not enter into any interest rate exchange agreement, cap, collar, floor, ceiling, or other agreement or instrument involving reciprocal payment obligations between the Issuer and a counterparty based on interest rates applied to a notional amount of principal entered into by or on behalf of the Issuer and payable from or secured in whole or in part by the Trust Estate, without the prior written consent of the Series 2013 Insurer. As evidenced by the issuance and delivery of the Series 2013 Insurance Policy to the Trustee and for the avoidance of doubt, the Series 2013 Insurer has consented to the issuance of the Reserve Fund Warrants in the maximum amount allowed for under the First Supplemental Indenture.

(2) The maximum principal amount of Unsecured Obligations payable in any one Fiscal Year shall not exceed 25% of the remaining proceeds of System Revenues after all payments and deposits have been made in accordance with *Sections 9.2(a)(1)* through *9.2(a)(8)*.

(3) The Issuer shall obtain the prior written consent of the Series 2013 Insurer for any transfer of the System described in *Section 10.6(a)*, unless upon such transfer the Insured Series 2013 Warrants shall be irrevocably paid in full or Released.

(4) The insurance described in *Section 10.8(j)(1)* shall be provided by an insurer (1) that is rated at least "A-" or higher (or the equivalent) by any Rating Agency or (2) that is assigned a financial strength rating of "B-" or higher by A.M. Best Company, Inc.

(5) The Issuer shall obtain the prior written consent of the Series 2013 Insurer for any transfer of operating assets that would exceed the limitations described in *Section 10.8(d)(4)*.

(b) Upon and for so long as the Insured Series 2013 Warrants are rated "A-" (or its equivalent), or better, without regard to any Credit Enhancement, by any one Rating Agency, the covenants provided for in *Sections 15.6(a)(2)* and *(a)(4)* shall no longer be applicable to the Issuer.

ARTICLE 16

Miscellaneous

SECTION 16.1 Notices to Financing Participants

- (a) Notices and other communications to Financing Participants pursuant to this Indenture must be in writing except as otherwise expressly provided in this Indenture. Any specific reference in this Indenture to "written notice" shall not be construed to mean that any other notice may be oral, unless such oral notice is specifically permitted by this Indenture under the circumstances.
- (b) Notices and other communications pursuant to this Indenture may be delivered by any method provided in the directions for notices attached as *Exhibit 16.1(b)*. A Financing Participant may change its directions for notices by giving notice to the other Financing Participants.
- (c) Any notice shall be deemed given when actually received by the Financing Participant to whom the notice is addressed. In addition, any notice sent by certified mail shall be deemed received three Business Days after being sent by certified mail, addressed as provided in the notice directions included in *Exhibit 16.1(b)* or, if the designated Financing Participant has delivered a change notice, as specified in such change notice.
- (d) Notice to any Financing Participant required by this Indenture may be waived in writing by such Financing Participant, either before or after the event, and such waiver shall be the equivalent of such notice.

SECTION 16.2 Notices to Holders of Warrants

- (a) Notices and other communications to Holders of Warrants pursuant to this Indenture must be in writing except as otherwise expressly provided in this Indenture. Any specific reference in this Indenture to "written notice" shall not be construed to mean that any other notice may be oral, unless such oral notice is specifically permitted by this Indenture under the circumstances.
- (b) If the Book Entry System is in effect, notices and other communications to Holders of Warrants will be delivered through the Book Entry System and shall be deemed delivered upon receipt by DTC.
- (c) If the Book Entry System is terminated, notices and other communications to Holders of Warrants shall be delivered to each Holder at the address as it then appears in the Warrant Register. If such notice or other communication is sent by certified mail, such notice shall be deemed given when mailed; if given by first-class mail, such notice shall be deemed given five days after mailing.
- (d) Any defect in a notice to any particular Holder shall not affect the sufficiency of such notice with respect to other Holders.
- (e) Notice to any Holder required by this Indenture may be waived in writing by such Holder, either before or after the event, and such waiver shall be the equivalent of such notice.

- (f) Notices to Holders of additional Secured Obligations shall be specified in the Supplemental Indenture pursuant to which such Secured Obligations are issued.

SECTION 16.3 Successors and Assigns

All covenants and agreements in this Indenture by the Issuer shall bind its successors and assigns, whether so expressed or not.

SECTION 16.4 Benefits of Indenture

Except as expressly provided herein (including, without limitation, *Article 15*), nothing in this Indenture or in the Secured Obligations, express or implied, shall give to any person, other than the parties hereto and their

successors hereunder and the Holders of the Secured Obligations any benefit or legal or equitable right, remedy or claim under this Indenture.

SECTION 16.5 Rights or Powers of Providers of Credit Enhancement

(a) If expressly permitted by the terms of this Indenture (including any Supplemental Indenture with respect to Secured Obligations), the provider of any Credit Enhancement with respect to Secured Obligations may, on behalf of the Holders of the Secured Obligations secured by such Credit Enhancement (and without notice to or consent of such Holders), exercise the following rights and powers of such Holders under this Indenture:

- (a) the right or power to provide directions with respect to the pursuit of remedies available to the Trustee if an Indenture Default exists, including the right or power to direct the acceleration of the Maturity Date of Secured Obligations;
- (b) the right or power to waive any Indenture Default and its consequences; and
- (c) the right or power to consent to, or approve, any amendment of this Indenture requiring the consent of Holders of Secured Obligations, other than an amendment described in *Section 13.3*;

provided, however, that the provider of such Credit Enhancement may not exercise such rights and powers if the provider of such Credit Enhancement has defaulted under the terms of such Credit Enhancement or any similar instrument.

- (b) No rights described in *Section 16.5(a)* are provided JPMorgan Chase Bank pursuant to this Indenture, except as may be provided in the First Supplemental Indenture.

SECTION 16.6 Calculation of Percentage of Holders Taking Action

Notwithstanding any provision of this Indenture, the Accreted Value of an Outstanding Capital Appreciation Warrant or of an Outstanding Convertible Capital Appreciation Warrant (prior to the applicable Current Interest Commencement Date) shall be considered principal for the purpose of determining whether the Holders of a particular percentage in principal amount of Outstanding Secured Obligations shall have taken any action, including whether the Holders have given any direction, required any action, exercised any right or remedy, waived any default, removed any Trustee, appointed any successor Trustee or consented to any amendment of this Indenture.

SECTION 16.7 Amounts Due and Unpaid After Act of Bankruptcy

For purposes of the priority as between Senior Lien Obligations and Subordinate Lien Obligations under *Section 11.3*, amounts due and unpaid on the Senior Lien Obligations shall include all interest, fees and expenses accrued or accruing (or that would, absent an Act of Bankruptcy by the Issuer, accrue) after any Act of Bankruptcy by the Issuer in accordance with, at the time contemplated by and at the rate, if any, specified herein, whether or not the claim for such interest, fees or expenses is allowed, allowable, recognized or provable as a claim in any applicable bankruptcy, insolvency, reorganization, or similar proceeding with respect to the Issuer, and whether or not any underlying Senior Lien Obligations are modified in any fashion during such proceeding (including pursuant to 11 U.S.C. § 1129(b)). In the event that the Holders of the Subordinate Lien Obligations receive any payments or funds in an amount in error or inconsistent with the rights of the Holders of the Senior Lien Obligations pursuant to, and in accordance with the priorities set forth in *Section 3.1*, *Section 11.3* and this *Section 16.7*, the Holders of the Senior Lien Obligations shall have a cause of action to collect any such amount.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this instrument to be duly executed by their duly authorized officers.

JEFFERSON COUNTY, ALABAMA

By: _____

Title: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____

Title: _____

STATE OF ALABAMA
JEFFERSON COUNTY

I, _____, a Notary Public in and for said County in said State, do hereby certify that _____, whose name as _____ of JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama, 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 political subdivision.

Given under my hand this the _____ day of December, 2013.

Notary Public

NOTARIAL SEAL

My commission expires: _____

STATE OF _____
_____ COUNTY

I, _____, hereby certify that _____, a Notary Public in and for said County, in said State, _____, whose name as _____ of WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association, as trustee, 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 banking association.

Given under my hand this the _____ day of December, 2013.

Notary Public

NOTARIAL SEAL

My commission expires: _____

EXHIBIT 5.1(c)

Form of Series 2013-A Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Senior Lien Sewer Revenue Current Interest Warrant, Series 2013-A

Number:

Date of Initial Delivery:

Maturity Date:

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) the principal sum of

_____ DOLLARS

on the Maturity Date specified above and to pay interest hereon from the date of initial delivery of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the applicable interest rate specified above; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of warrants issued by the Issuer under the Indenture in the aggregate principal amount of [SAMOUNT] and designated "Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A" (the "Series 2013-A Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Senior Lien Trust Estate (together, the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Exhibit 5.1(c), Page 1 of 6

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-A Warrants are being issued as Senior Lien Obligations and are also referred to in the Indenture as the "Series 2013 Senior Lien Obligations". The Indenture permits the issuance of additional Senior Lien Obligations secured on a parity of lien with the Series 2013 Senior Lien Obligations, upon compliance with certain provisions of the Indenture. Subordinate Lien Obligations are being issued simultaneously with the issuance of the Series 2013-A Warrants and the Indenture permits the issuance of additional Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Senior Lien Obligations is further secured by the Series 2013 Senior Lien Trust Estate, which includes the Series 2013 Senior Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Senior Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-A Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-A Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-A Warrants.

Applicable Interest Rate

The applicable interest rate for this warrant is specified above.

Computation of Interest Accrual

Interest on Series 2013-A Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates

Interest on Series 2013-A Warrants is payable on the following dates: [Specify, from Indenture].

Regular Record Date for Interest Payments

If the Book Entry System is in effect, the Trustee shall pay interest on this warrant to DTC, and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Interest Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the

Exhibit 5.1(c), Page 2 of 6

Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

Series 2013-A Warrants may be in denominations of \$5,000 or any integral multiple thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-A Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all Series 2013-A Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-A Warrants to be redeemed.

Notice of redemption of any Series 2013-A Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-A Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-A Warrants (or portions thereof) identified in such notice, and any Series 2013-A Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-A Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-A Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-A Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-A Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-A Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-A Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-A Warrant, without service charge, a new Series 2013-A Warrant or Series 2013-A Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate

principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2013-A Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-A Warrants that have been called for optional redemption in lieu of retiring such Series 2013-A Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-A Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-A Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-A Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-A Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-A Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: _____ Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Series 2013-A Warrants referred to in the within-mentioned Indenture. The Series 2013-A Warrants have been issued as Senior Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ attorney to this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By: _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.2(c)

Form of Series 2013-B Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF ___, 2013.

Jefferson County, Alabama

Senior Lien Sewer Revenue Capital Appreciation Warrant, Series 2013-B

Number:

Date of Initial Delivery:

Yield to Maturity:

Maturity Date:

Accreted Value at Maturity:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) the principal sum of

_____ DOLLARS

on the Maturity Date specified above and to pay interest that shall accrete thereon from the date of initial delivery of this warrant to the Maturity Date or earlier redemption; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of warrants issued by the Issuer under the Indenture in the Initial Principal Amount of [Amount] and designated "Senior Lien Sewer Revenue Capital Appreciation Warrants, 2013-B" (the "Series 2013-B Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Senior Lien Trust Estate (the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-B Warrants are being issued as Senior Lien Obligations and are also referred to in the Indenture as the "Series 2013 Senior Lien Obligations". The Indenture permits the issuance of additional Senior Lien Obligations secured on a parity of lien with the Series 2013 Senior Lien Obligations, upon compliance with certain provisions of the Indenture. Subordinate Lien Obligations are being issued simultaneously with the issuance of the Series 2013-B Warrants and the Indenture permits the issuance of additional Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Senior Lien Obligations is further secured by the Series 2013 Senior Lien Trust Estate, which includes the Series 2013 Senior Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Senior Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights hereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-B Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-B Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-B Warrants.

Accretion of Interest

This warrant is payable only at maturity or optional redemption and will not pay interest on a current basis. Interest on this warrant shall accrete in value from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Maturity Date or earlier redemption at the effective per annum rate required to produce the yield to maturity indicated above.

Computation of Interest Accretion

Interest on this warrant shall accrete on the basis of a 360-day year with 12 months of 30 days each. Accretion between such dates shall be determined using linear interpolation.

Interest on Overdue Payments

Interest shall be payable on overdue Accreted Value on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

The Series 2013-B Warrants may be in denominations of *[specify from Indenture]*.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-B Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all of the Series 2013-B Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-B Warrants to be redeemed.

Notice of redemption of any Series 2013-B Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-B Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-B Warrants (or portions thereof) identified in such notice, and any Series 2013-B Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-B Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-B Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-B Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-B Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-B Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-B Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-B Warrant, without service charge, a new Series 2013-B Warrant or Series 2013-B Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate Accreted Value equal to and in exchange for the unredeemed portion of the Accreted Value of the Series 2013-B Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-B Warrants that have been called for optional redemption in lieu of retiring such Series 2013-B Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations, or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-B Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-B Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-B Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-B Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-B Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: _____ Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____ President

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Warrants referred to in the within-mentioned Indenture. The Series 2013-B Warrants have been issued as Senior Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By: _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.2(e)
Schedule of Compound Accreted Value
for
Series 2013-B Warrants

[To be added]

EXHIBIT 5.3(c)
Form of Series 2013-C Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Senior Lien Sewer Revenue Convertible Capital Appreciation Warrant, Series 2013-C

Number:

Date of Initial Delivery:

Yield to Current Interest
Commencement Date:

Current Interest Commencement Date:

Accreted Value at Current Interest
Commencement Date:

Maturity Date:

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) (A) prior to the Current Interest Commencement Date specified above, the principal sum of

_____ **DOLLARS**

and to pay interest that shall accrete thereon from the date of initial delivery of this warrant to the Current Interest Commencement Date, and (B) from and after the Current Interest Commencement Date (the date on which the Accreted Value of this warrant shall be converted to principal), the principal sum of

_____ **DOLLARS**

on the Maturity Date specified above and to pay interest hereon from the Current Interest Commencement Date of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the applicable interest rate specified above; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of Warrants issued by the Issuer under the Indenture in the Initial Principal Amount of [Amount] and designated "Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C" (the "Series 2013-C Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Senior Lien Trust Estate (together, the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-C Warrants are being issued as Senior Lien Obligations and are also referred to in the Indenture as the "Series 2013 Senior Lien Obligations". The Indenture permits the issuance of additional Senior Lien Obligations secured on a parity of lien with the Series 2013 Senior Lien Obligations, upon compliance with certain provisions of the Indenture. Subordinate Lien Obligations are being issued simultaneously with the issuance of the Series 2013-C Warrants and the Indenture permits the issuance of additional Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Senior Lien Obligations is further secured by the Series 2013 Senior Lien Trust Estate, which includes the Series 2013 Senior Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Senior Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-C Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-C Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-C Warrants.

Accretion of Interest Prior to Current Interest Commencement Date

Prior to the Current Interest Commencement Date, this warrant is payable only at optional redemption and will not pay interest on a current basis. Interest on this warrant shall accrete in value from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Current Interest Commencement Date at the effective per annum rate required to produce the yield to Current Interest Commencement Date indicated above.

Computation of Interest Accretion Prior to Current Interest Commencement Date

Prior to the Current Interest Commencement Date, interest on this warrant shall accrete on the basis of a 360-day year with 12 months of 30 days each. Accretion between such dates shall be determined using linear interpolation.

Applicable Interest Rate From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, the applicable interest rate for this warrant is specified above.

Computation of Interest Accrual From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, interest on the Series 2013-C Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates from the Current Interest Commencement Date

Interest on Series 2013-C Warrants accruing from and after the Current Interest Commencement Date is payable on the following dates: *[specify from Indenture]*.

Regular Record Date for Interest Payments From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, if the Book Entry System is in effect, the Trustee shall pay interest on this warrant to DTC, and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Interest Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

Prior to the Current Interest Commencement Date, the Series 2013-C Warrants may be in denominations of *[specify from Indenture]*. From and after the Current Interest Commencement Date, the Series 2013-C Warrants may be in denominations of *[specify from Indenture]* or any integral multiple thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-C Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all of the Series 2013-C Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-C Warrants to be redeemed.

Notice of redemption of any Series 2013-C Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-C Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-C Warrants (or portions thereof) identified in such notice, and any Series 2013-C Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-C Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-C Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-C Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-C Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-C Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-C Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-C Warrant, without service charge, a new Series 2013-C Warrant or Series 2013-C Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount or Accreted Value equal to and in exchange for the unredeemed portion of the principal or Accreted Value of the Series 2013-C Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-C Warrants that have been called for optional redemption in lieu of retiring such Series 2013-C Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-C Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-C Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-C Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-C Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-C Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: _____ Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Warrants referred to in the within-mentioned Indenture. The Series 2013-C Warrants have been issued as Subordinate Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Issuer at the office of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By: _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.3(e)
Schedule of Compound Accreted Value
for
Series 2013-C Warrants

[To be added]

EXHIBIT 5.4(c)
Form of Series 2013-D Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Subordinate Lien Sewer Revenue Current Interest Warrant, Series 2013-D

Number:

Date of Initial Delivery:

Maturity Date:

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) the principal sum of

_____ DOLLARS

on the Maturity Date specified above and to pay interest hereon from the date of initial delivery of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the applicable interest rate specified above; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of warrants issued by the Issuer under the Indenture in the aggregate principal amount of [Amount] and designated "Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D" (the "Series 2013-D Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Subordinate Lien Trust Estate (together, the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-D Warrants are being issued as Subordinate Lien Obligations and are also referred to in the Indenture as "Series 2013 Subordinate Lien Obligations". Senior Lien Obligations and additional Series 2013 Subordinate Lien Obligations have been issued simultaneously with the issuance of the Series 2013-D Warrants. The Indenture permits the issuance of additional Subordinate Lien Obligations secured on a parity of lien with the Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture. The Indenture also permits the issuance of additional Senior Lien Obligations without the consent of Holders of Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Subordinate Lien Obligations is further secured by the Series 2013 Subordinate Lien Trust Estate, which includes the Series 2013 Subordinate Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Subordinate Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-D Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-D Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-D Warrants.

Applicable Interest Rate

The applicable interest rate for this warrant is specified above.

Computation of Interest Accrual

Interest on Series 2013-D Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates

Interest on Series 2013-D Warrants is payable on the following dates: *[specify from Indenture]*.

Regular Record Date for Interest Payments

If the Book Entry System is in effect, the Trustee shall pay interest on this warrant to DTC, and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Interest Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the

Exhibit 5.4(c), Page 2 of 6

Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

Series 2013-D Warrants may be in denominations of \$5,000 or any integral multiple thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-D Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all Series 2013-D Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-D Warrants to be redeemed.

Notice of redemption of any Series 2013-D Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-D Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-D Warrants (or portions thereof) identified in such notice, and any Series 2013-D Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-D Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-D Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-D Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-D Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-D Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-D Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-D Warrant, without service charge, a new Series 2013-D Warrant or Series 2013-D Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate

Exhibit 5.4(c), Page 3 of 6

principal amount equal to and in exchange for the unredeemed portion of the principal of the Series 2013-D Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-D Warrants that have been called for optional redemption in lieu of retiring such Series 2013-D Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-D Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-D Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-D Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-D Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-D Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.
Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

[SEAL] By: _____ President

Attest: _____
Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Series 2013-D Warrants referred to in the within-mentioned Indenture. The Series 2013-D Warrants have been issued as Subordinate Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ attorney to this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed: _____
(Bank or Trust Company)

By: _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.5(c)

Form of Series 2013-E Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Subordinate Lien Sewer Revenue Capital Appreciation Warrant, Series 2013-E

Number:

Date of Initial Delivery:

Yield to Maturity:

Maturity Date:

Accreted Value at Maturity:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) the principal sum of _____ **DOLLARS**

on the Maturity Date specified above and to pay interest that shall accrete thereon from the date of initial delivery of this warrant to the Maturity Date or earlier redemption; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of warrants issued by the Issuer under the Indenture in the Initial Principal Amount of [Amount] and designated "Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E" (the "Series 2013-E Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Subordinate Lien Trust Estate (the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or

liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-E Warrants are being issued as Subordinate Lien Obligations and are also referred to in the Indenture as "Series 2013 Subordinate Lien Obligations". Senior Lien Obligations and additional Series 2013 Subordinate Lien Obligations have been issued simultaneously with the issuance of the Series 2013-E Warrants. The Indenture permits the issuance of additional Subordinate Lien Obligations secured on a parity of lien with the Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture. The Indenture also permits the issuance of additional Senior Lien Obligations without the consent of Holders of Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Subordinate Lien Obligations is further secured by the Series 2013 Subordinate Lien Trust Estate, which includes the Series 2013 Subordinate Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Subordinate Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-E Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-E Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-E Warrants.

Accretion of Interest

This warrant is payable only at maturity or optional redemption and will not pay interest on a current basis. Interest on this warrant shall accrete in value from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Maturity Date or earlier redemption at the effective per annum rate required to produce the yield to maturity indicated above.

Computation of Interest Accretion

Interest on this warrant shall accrete on the basis of a 360-day year with 12 months of 30 days each. Accretion between such dates shall be determined using linear interpolation.

Interest on Overdue Payments

Interest shall be payable on overdue Accreted Value on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

The Series 2013-E Warrants may be in denominations of *[specify from Indenture]*.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-E Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all of the Series 2013-E Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-E Warrants to be redeemed.

Notice of redemption of any Series 2013-E Warrant shall be given to the affected Holder not less than 20 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-E Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-E Warrants (or portions thereof) identified in such notice, and any Series 2013-E Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-E Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-E Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-E Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-E Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-E Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-E Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-E Warrant, without service charge, a new Series 2013-E Warrant or Series 2013-E Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate Accreted Value equal to and in exchange for the unredeemed portion of the Accreted Value of the Series 2013-E Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-E Warrants that have been called for optional redemption in lieu of retiring such Series 2013-E Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations, or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-E Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneraton of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-E Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-E Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-E Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-E Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.
Dated: _____ Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
[SEAL] _____ President

Attest: _____
Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Warrants referred to in the within-mentioned Indenture. The Series 2013-E Warrants have been issued as Subordinate Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 5.5(e)
Schedule of Compound Accreted Value
for
Series 2013-E Warrants

[To be added]

EXHIBIT 5.6(c)

Form of Series 2013-F Warrants

VALIDATED AND CONFIRMED BY JUDGMENT AND CONFIRMATION ORDER OF THE UNITED STATES BANKRUPTCY COURT FOR THE NORTHERN DISTRICT OF ALABAMA, ENTERED ON THE ___ DAY OF _____, 2013.

Jefferson County, Alabama

Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrant, Series 2013-F

Number:

Date of Initial Delivery:

Yield to Current Interest Commencement Date:

Current Interest Commencement Date:

Accreted Value at Current Interest Commencement Date:

Maturity Date:

Interest Rate:

CUSIP:

JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama (the "Issuer", which term includes any successor under the Indenture hereinafter referred to), for value received, hereby acknowledges itself indebted to

CEDE & CO.,

or registered assigns, and directs the Trustee (as hereinafter defined) to pay (but solely from the sources hereinafter identified) (A) prior to the Current Interest Commencement Date specified above, the principal sum of

_____ DOLLARS

and to pay interest that shall accrete thereon from the date of initial delivery of this warrant to the Current Interest Commencement Date, and (B) from and after the Current Interest Commencement Date (the date on which the Accreted Value of this warrant shall be converted to principal), the principal sum of

_____ DOLLARS

on the Maturity Date specified above and to pay interest hereon from the Current Interest Commencement Date of this warrant, or the most recent date to which interest has been paid or duly provided for, until the principal hereof shall become due and payable at the applicable interest rate specified above; provided, however, that all such payments shall be limited obligations of the Issuer payable solely from the sources hereinafter identified.

Authorizing Document

This warrant is issued pursuant to a Trust Indenture, dated December 1, 2013 (the "Indenture"), between the Issuer and Wells Fargo Bank, National Association, a national banking association, as trustee (the "Trustee", which term includes any successor trustee under the Indenture). This warrant is part of a series of Warrants issued by the Issuer under the Indenture in the Initial Principal Amount of [SAmount] and designated "Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F" (the "Series 2013-F Warrants"). Capitalized terms not otherwise defined herein shall have the meaning assigned in the Indenture. The provisions of the Indenture are hereby incorporated by reference as if fully set forth in this warrant.

Limited Obligations

This warrant and all other payment obligations under the Indenture are limited obligations of the Issuer payable solely out of the General Trust Estate and the Series 2013 Subordinate Lien Trust Estate (together, the "Trust Estate"). The indebtedness acknowledged by this warrant shall not constitute or give rise to an indebtedness or liability of, and shall not constitute a charge against, the general credit or taxing powers of the Issuer or of the State of Alabama.

Security for Payment

The Indenture provides for the issuance of Secured Obligations from time to time in one or more series. Secured Obligations are issuable in two classes: (i) Senior Lien Obligations, which have a first priority lien with respect to right of payment from the General Trust Estate, and (ii) Subordinate Lien Obligations, which have a second priority lien with respect to right of payment from the General Trust Estate. The Series 2013-F Warrants are being issued as Subordinate Lien Obligations and are also referred to in the Indenture as "Series 2013 Subordinate Lien Obligations". Senior Lien Obligations and additional Series 2013 Subordinate Lien Obligations have been issued simultaneously with the issuance of the Series 2013-F Warrants. The Indenture permits the issuance of additional Subordinate Lien Obligations secured on a parity of lien with the Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture. The Indenture also permits the issuance of additional Senior Lien Obligations without the consent of Holders of Series 2013 Subordinate Lien Obligations, upon compliance with certain provisions of the Indenture.

Payment of the Series 2013 Subordinate Lien Obligations is further secured by the Series 2013 Subordinate Lien Trust Estate, which includes the Series 2013 Subordinate Lien Indenture Funds described in the Indenture, and which is held by the Trustee for the sole benefit of Holders of the Series 2013 Subordinate Lien Obligations.

Secured Obligation Documents

Copies of the Secured Obligation Documents are on file at the Office of the Trustee, and reference is hereby made to such instruments for a description of the properties pledged and assigned, the nature and extent of the security, the respective rights thereunder of the Holders of this warrant and the Financing Participants, and the terms upon which the Series 2013-F Warrants are, and are to be, authenticated and delivered.

Transfer, Registration, Exchange and Payment Provisions

The ownership, transfer, exchange and payment of Series 2013-F Warrants shall be governed by the Book Entry System administered by DTC until the Book Entry System is terminated pursuant to the terms and conditions of the Indenture. If the Book Entry System is terminated, the Indenture provides alternate provisions for the ownership, transfer, registration, exchange and payment of Series 2013-F Warrants.

Accretion of Interest Prior to Current Interest Commencement Date

Prior to the Current Interest Commencement Date, this warrant is payable only at optional redemption and will not pay interest on a current basis. Interest on this warrant shall accrete in value from and including the date of initial delivery, compounded semiannually on each Compounding Date, until the Current Interest Commencement

Date at the effective per annum rate required to produce the yield to Current Interest Commencement Date indicated above.

Computation of Interest Accretion Prior to Current Interest Commencement Date

Prior to the Current Interest Commencement Date, interest on this warrant shall accrete on the basis of a 360-day year with 12 months of 30 days each. Accretion between such dates shall be determined using linear interpolation.

Applicable Interest Rate From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, the applicable interest rate for this warrant is specified above.

Computation of Interest Accrual From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, interest on the Series 2013-F Warrants shall be computed on the basis of a 360-day year with 12 months of 30 days each.

Interest Payment Dates from the Current Interest Commencement Date

Interest on Series 2013-F Warrants accruing from and after the Current Interest Commencement Date is payable on the following dates: *[specify from Indenture]*.

Regular Record Date for Interest Payments From the Current Interest Commencement Date

From and after the Current Interest Commencement Date, if the Book Entry System is in effect, the Trustee shall pay interest on this warrant to DTC, and interest shall be distributed to the Holder of this warrant in accordance with the rules and operational arrangements of DTC. If the Book Entry System is terminated, the interest due on any Interest Payment Date with respect to this warrant shall be payable to the Holder of this warrant on the Regular Record Date for such Interest Payment Date.

Special Record Date for Defaulted Interest

Any Defaulted Interest shall forthwith cease to be payable to the Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Issuer to the persons in whose name this warrant is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed as provided in the Indenture.

Interest on Overdue Payments

Interest shall be payable on overdue principal on this warrant and (to the extent legally enforceable) on any overdue installment of interest on this warrant at the Post-Default Rate specified in the Indenture.

Authorized Denominations

Prior to the Current Interest Commencement Date, the Series 2013-F Warrants may be in denominations of *[specify from Indenture]*. From and after the Current Interest Commencement Date, the Series 2013-F Warrants may be in denominations of *[specify from Indenture]* or any integral multiple thereof.

Currency of Payment

Payment of Debt Service on this warrant shall be made in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Redemption Prior to Maturity

The Series 2013-F Warrants will be subject to redemption prior to their respective Maturity Dates as follows:

[Specify applicable redemption provisions from Section 7.1.]

If less than all of the Series 2013-F Warrants outstanding are being redeemed, the Indenture provides procedures for selection of Series 2013-F Warrants to be redeemed.

Notice of redemption of any Series 2013-F Warrant shall be given to the affected Holder not less than 30 days prior to the redemption date. If the Book Entry System is in effect, notice of redemption shall be given to DTC and shall be forwarded by DTC to Holders through methods established by the rules and operational arrangements of the Book Entry System. If the Book Entry System is not in effect, notice shall be given to Holders by certified mail.

A notice of optional redemption may state that the redemption of Series 2013-F Warrants is contingent upon specified conditions, such as receipt of a specified source of funds or the occurrence of specified events. If the conditions for such redemption are not met, the Issuer shall not be required to redeem the Series 2013-F Warrants (or portions thereof) identified in such notice, and any Series 2013-F Warrants surrendered on the specified redemption date shall be returned to the Holders of such Series 2013-F Warrants.

On the applicable redemption date, an amount of money sufficient to pay the redemption price of all the Series 2013-F Warrants which are to be redeemed on that date shall be deposited with the Trustee, unless the notice of redemption specified contingencies that were not met on the redemption date. Such money shall be held in trust for the benefit of the persons entitled to such redemption price and shall not be deemed to be part of the Trust Estate.

If notice of redemption is given and any conditions to such redemption are met, the Series 2013-F Warrants to be redeemed shall become due and payable on the redemption date at the applicable redemption price, and from and after such date (unless the Issuer shall default in the payment of the redemption price) such Series 2013-F Warrants shall cease to bear interest.

If the Book Entry System is in effect, partial redemption of any Series 2013-F Warrant shall be effected in accordance with the Book Entry System. If the Book Entry System has been terminated, any Series 2013-F Warrant which is to be redeemed only in part shall be surrendered at the Office of the Trustee with all necessary endorsements for transfer, and the Issuer shall execute and the Trustee shall authenticate and deliver to the Holder of such Series 2013-F Warrant, without service charge, a new Series 2013-F Warrant or Series 2013-F Warrants of the same Tenor and of any Authorized Denomination or Denominations as requested by such Holder in aggregate principal amount or Accreted Value equal to and in exchange for the unredeemed portion of the principal or Accreted Value of the Series 2013-F Warrant surrendered.

The Indenture permits the Issuer to purchase Series 2013-F Warrants that have been called for optional redemption in lieu of retiring such Series 2013-F Warrants on the redemption date. No notice to Holders is required in connection with a purchase in lieu of redemption.

Remedies

If an "Indenture Default", as defined in the Indenture, shall occur, the principal or Accreted Value of all Secured Obligations then Outstanding may become or be declared due and payable in the manner and with the effect provided in the Indenture.

The Holder of this warrant shall have no right to enforce the provisions of the Indenture, or to institute any action to enforce the covenants therein, or to take any action with respect to any default thereunder, or to institute, appear in or defend any suit or other proceeding with respect thereto, except as specified in the Indenture.

Amendments and Waivers

The Indenture permits the amendment of the Secured Obligation Documents and waivers of past defaults under such Secured Obligation Documents and the consequences of such defaults, in certain circumstances without consent of Holders and in other circumstances with the consent of the Holders of all Secured Obligations or a specified percentage of such Holders or a specified percentage of the Holders of the Senior Lien Obligations. Any such consent or waiver by the Holder of this warrant shall be conclusive and binding upon such Holder and upon all future Holders of this warrant and of any Series 2013-F Warrant issued in exchange herefor or in lieu hereof, whether or not notation of such consent or waiver is made upon this warrant.

Exoneration of Public Officials, Officers and Employees of the Issuer

No recourse under or upon any covenant or agreement of the Indenture, or of any Series 2013-F Warrants, or for any claim based thereon or otherwise in respect thereof, shall be had against any past, present or future public official, officer or employee of the Issuer, or of any successor, either directly or through the Issuer, 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 the Indenture and the Series 2013-F Warrants are solely corporate obligations, and that no personal or pecuniary liability whatever shall attach to, or is or shall be incurred by, any public official, officer or employee of the Issuer or any successor, or any of them, because of the issuance of the Series 2013-F Warrants, or under or by reason of the covenants or agreements contained in the Indenture or in any Series 2013-F Warrants or implied therefrom. The provisions of this paragraph are not intended to preclude the enforcement of remedies provided for in the Indenture against the Trust Estate secured by the Indenture.

* * *

It is hereby certified, recited and declared that all acts, conditions and things required by the Constitution and laws of the State to exist, happen and be performed precedent to and in the execution and delivery of the Indenture and issuance of this warrant do exist, have happened and have been performed in due time, form and manner as required by law.

Unless the certificate of authentication hereon has been executed by the Trustee by manual signature, this warrant shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

[Balance of page intentionally left blank.]

IN WITNESS WHEREOF, the Issuer has caused this warrant to be duly executed under its corporate seal.

Dated: Date of initial delivery of this warrant identified above.

JEFFERSON COUNTY, ALABAMA

By: _____
President

[SEAL]

Attest:

Minute Clerk

Registration Certificate

I hereby certify that this warrant has been duly registered by me as a claim against Jefferson County, Alabama, payable solely from the Trust Estate referred to herein.

Date of Registration: _____

Treasurer of Jefferson County, Alabama

Certificate of Authentication

This is one of the Warrants referred to in the within-mentioned Indenture. The Series 2013-F Warrants have been issued as Subordinate Lien Obligations under the terms of the Indenture.

Date of authentication: _____

WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Signatory

EXHIBIT 5.6(e)
Schedule of Compound Accreted Value
for
Series 2013-F Warrants

[To be added]

Assignment

For value received, _____ hereby sell(s), assign(s) and transfer(s) unto [Please insert name and taxpayer identification number] _____ this warrant and hereby irrevocably constitute(s) and appoint(s) _____ attorney to transfer this warrant on the books of the within named Trustee, with full power of substitution in the premises.

Dated: _____

NOTE: The name signed to this assignment must correspond with the name of the payee written on the face of the within warrant in all respects, without alteration, enlargement or change whatsoever.

Signature Guaranteed:

(Bank or Trust Company)

By _____
(Authorized Officer)

*Signature(s) must be guaranteed by an eligible guarantor institution which is a member of the recognized signature guarantee program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP), or New York Stock Exchange Medallion Signature Program (MSP).

EXHIBIT 9.2(b)

Requisition

To: WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee under the Indenture referred to below No. _____
Re: Trust Indenture dated [Date] (the "Indenture") between Jefferson County, Alabama and the Trustee
Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

Request for Payment by the Issuer

The Issuer hereby requests payment from the Revenue Fund.

of \$ _____ to _____

Name of payee: _____
Address of payee: _____

Such payment will be made for the following purpose(s): _____

(Note: The Issuer is to describe purpose in reasonable detail. The Trustee shall be entitled to rely upon the certification by the Issuer in the following paragraph with respect to the purpose of this payment and shall not be required to verify that such purpose is authorized by the Indenture or that such purpose will not cause or result in a violation of any covenant in the Tax Certificate and Agreement.)

The Issuer hereby certifies that: (a) such payment is for a purpose permitted in Section 9.2(a)(8) or (9) of the Indenture, (b) no Indenture Default exists, and (c) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement.

Dated: _____

JEFFERSON COUNTY, ALABAMA

By: _____ Authorized Issuer Representative

EXHIBIT 9.6(g)

Series 2013 Senior Lien Reserve Fund Letter of Credit Reimbursement Order

To: WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee under the Indenture referred to below No. _____
Re: Trust Indenture dated [Date] (the "Indenture") between Jefferson County, Alabama and the Trustee
Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

Request for Reinstatement of Series 2013 Senior Lien Reserve Fund Letter of Credit

Pursuant to Section 9.6(g) of the Indenture, the Issuer hereby requests payment from the Series 2013 Senior Lien Reserve Fund for the sole purpose of reinstating coverage under the letter of credit described above in the following amount of \$ _____

Funds withdrawn from the Series 2013 Senior Lien Reserve Fund shall be used solely to redeem Reserve Fund Warrants that are Senior Lien Obligations under the Indenture.

The Issuer hereby certifies that: (a) such payment is for a purpose permitted in Section 9.6(g) of the Indenture, (b) the amount requested for withdrawal is eligible for reinstatement under the Series 2013 Senior Lien Reserve Fund Letter of Credit, (c) no Indenture Default exists, and (d) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement.

Dated: _____

JEFFERSON COUNTY, ALABAMA

By: _____ Authorized Issuer Representative

EXHIBIT 9.7(g)

Series 2013 Subordinate Lien Reserve Fund Letter of Credit Reimbursement Order

To: WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee under the Indenture referred to below No. _____
Re: Trust Indenture dated [Date] (the "Indenture") between Jefferson County, Alabama and the Trustee
Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

Request for Reinstatement of Series 2013 Subordinate Lien Reserve Fund Letter of Credit

Pursuant to Section 9.7(g) of the Indenture, the Issuer hereby requests payment from the Series 2013 Subordinate Lien Reserve Fund for the sole purpose of reinstating coverage under the letter of credit described above in the following amount of

\$ _____

Funds withdrawn from the Series 2013 Subordinate Lien Reserve Fund shall be used solely to redeem Reserve Fund Warrants that are Subordinate Lien Obligations under the Indenture.

The Issuer hereby certifies that: (a) such payment is for a purpose permitted in Section 9.7(g) of the Indenture, (b) the amount requested for withdrawal is eligible for reinstatement under the Series 2013 Subordinate Lien Reserve Fund Letter of Credit, (c) no Indenture Default exists, and (d) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement.

Dated: _____

JEFFERSON COUNTY, ALABAMA

By: _____ Authorized Issuer Representative

EXHIBIT 9.8(c)

Requisition

To: WELLS FARGO BANK, NATIONAL ASSOCIATION, as trustee under the Indenture referred to below No. _____
Re: Trust Indenture dated [Date] (the "Indenture") between Jefferson County, Alabama and the Trustee
Capitalized terms not otherwise defined herein shall have the meanings assigned in the Indenture.

Request for Payment by the Issuer

The Issuer hereby requests payment from the Capital Improvement Fund.
of \$ _____ to

Name of payee: _____

Address of payee: _____

Such payment will be made for the following purpose(s):

(Note: The Issuer is to describe purpose in reasonable detail. The Trustee shall be entitled to rely upon the certification by the Issuer in the following paragraph with respect to the purpose of this payment and shall not be required to verify that such purpose is authorized by the Indenture or that such purpose will not cause or result in a violation of any covenant in the Tax Certificate and Agreement.)

The Issuer hereby certifies that: (a) such payment is for a purpose permitted in Section 9.8(c) of the Indenture, (b) no Indenture Default exists, and (c) such payment will not cause or result in the violation of any covenant contained in the Tax Certificate and Agreement.

Dated: _____

JEFFERSON COUNTY, ALABAMA

By: _____ Authorized Issuer Representative

EXHIBIT 15.5

Schedule of Permitted Ratios of Senior Lien Obligations to Secured Obligations

[To be provided.]

EXHIBIT 16.1(b)

Directions for Notices

JEFFERSON COUNTY, ALABAMA

Mailing address:

Jefferson County, Alabama
Attention: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jefferson County, Alabama
Attention: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

Hand delivery or courier delivery address:

Jefferson County, Alabama
Attention: County Manager
Room 251, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

-and-

Jefferson County, Alabama
Attention: County Attorney
Room 280, Jefferson County Courthouse
716 Richard Arrington Jr. Boulevard North
Birmingham, Alabama 35203

Email address:

County Manager:
County Attorney:

Facsimile transmissions:

County Manager:
County Attorney:

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as trustee**

Mailing address:

Hand delivery or courier delivery address:

Email address:

Facsimile transmissions:

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX B
RATE RESOLUTION

[THIS PAGE INTENTIONALLY LEFT BLANK]

RESOLUTION OF THE JEFFERSON COUNTY COMMISSION

WHEREAS,

- A. The Jefferson County Commission (the "County Commission") is the governing body of Jefferson County, Alabama (the "County");

WHEREAS,

- B. On November 15, 1948, the Constitution of the State of Alabama was amended by the Jefferson County Sewer Amendment ("Amendment 73"), *see* R-2067,¹ pertaining to the operation, repair, improvement, and management of the Jefferson County sanitary sewer system (the "Sewer System");

¹ Citations to "R-__" refer to the consecutively paginated record that preceded the adoption of the *Resolution of the Jefferson County Commission* dated November 6, 2012 (the "2012 Rate Resolution"), and that has since been supplemented with the following additional materials in connection with this resolution:

- (i) the 2012 Rate Resolution, *see* R-2810-45, the *Jefferson County Sewer Use Administrative Ordinance*, Ordinance No. 1808 (the "Administrative Ordinance"), *see* R-2846-91, and the *Jefferson County Sewer Use Charge Ordinance*, Ordinance No. 1809 (the "Charge Ordinance"), *see* R-2892-2913;
- (ii) Sewer Plan Support Agreements with the JPMorgan Parties, *see* R-4294-4337, the Supporting Sewer Warranholders and JPMorgan Chase Bank, N.A., *see* R-4338-4408, the Sewer Warrant Insurers, *see* R-4409-59, the Sewer Liquidity Banks, *see* R-4460-85, and LBSF, *see* R-4486-4500;
- (iii) the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated June 30, 2013)*, *see* R-3161-3262, and accompanying *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated June 30, 2013)*, *see* R-2914-3715, which includes as an exhibit the original Financing Plan preliminarily approved by the County Commission on June 4, 2013, *see* R-3695-3700;
- (iv) the amended *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (the "Plan"), *see* R-3965-4069, and accompanying *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)*, *see* R-3716-4537, which includes as an exhibit the Amended Financing Plan preliminarily approved by the County Commission on July 23, 2013, *see* R-4517-22; and
- (iv) the sworn affidavit of Eric Rothstein, *see* R-4538-39.

Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Plan or the 2012 Rate Resolution, as applicable.

WHEREAS,

- C. Amendment 73 vests the County Commission, as “[t]he governing body of Jefferson county,” with “full power and authority to manage, operate, control and administer” the Sewer System, “and, to that end, [to] make any reasonable and nondiscriminatory rules and regulations fixing rates and charges, providing for the payment, collection and enforcement thereof, and the protection of its property,” R-2067;

WHEREAS,

- D. On September 19, 1949, Act Number 619, 1949 Ala. Acts 949, *et seq.* (“Act 619”), *see* R-2068-77, a supplement to Amendment 73, became effective by its terms;

WHEREAS,

- E. Act 619 restates and confirms that the County Commission has full “power to maintain and operate” the Sewer System and to levy and collect “sewer rentals or service charges” from “the persons and property whose [sewage] is disposed of or treated by the [Sewer System],” R-2069 (Act 619 §§ 2, 4);

WHEREAS,

- F. Act 619 provides that the County Commission “shall prescribe and from time to time when necessary revise a schedule of [sewer rates and charges] which shall . . . be such that the revenues derived therefrom will at all times be adequate but not in excess of amounts reasonably necessary [(i)] to pay all reasonable expenses of operation and maintenance of the [Sewer System], including reserves and insurance; [(ii)] to make any necessary or appropriate replacements, extensions or improvements [to the Sewer System; and (iii)] to pay punctually the principal of and interest on any bonds issued by the County pursuant to [Amendment 73],” R-2070-71 (Act 619 § 6(a));

WHEREAS,

- G. Act 619 directs that sewer rates and charges “shall, as nearly as may be practicable and equitable, be uniform throughout the county for the same type, class and amount of use or service of the [Sewer] [S]ystem, and may be based or computed either on the consumption of water on or in connection with the real property served, making due allowance for commercial use of water or for water not entering the [Sewer] [S]ystem, or on the number and kind of water outlets on or in connection with such real property, or on the number and kind of plumbing or sewerage [*sic*] fixtures or facilities on or in connection with such real property, or on the number of persons residing or working on or otherwise connected or identified with such real property, or on the capacity of the improvements on or connected with such real property, or on any other factors determining the type, class and amount of use or service of the [Sewer] [S]ystem, or on any

combination of any such factors, and may give weight to the characteristics of the sewerage [sic] and other wastes and any other special matter affecting the cost of treatment and disposal thereof . . . ,” R-2070 (Act 619 § 5);

WHEREAS,

- H. On November 9, 2011, the County filed a petition for relief under chapter 9 of title 11 of the United States Code, thereby commencing Case No. 11-05736-TBB9 (the “Case”) before the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the “Bankruptcy Court”);

WHEREAS,

- I. On March 4, 2012, the Bankruptcy Court entered an order for relief in the Case;

WHEREAS,

- J. On November 6, 2012, after a series of public hearings, the County Commission enacted an interim sewer rate structure (the “Interim Rate Structure”) as set forth in the 2012 Rate Resolution, *see* R-2810-45, and adopted the Administrative Ordinance, *see* R-2846-91, and the Charge Ordinance, *see* R-2892-2913, which ordinances (as well as the Sewer System generally) are administered on a day-to-day basis by the County’s Environmental Services Department (“ESD”);

WHEREAS,

- K. The 2012 Rate Resolution provided for implementation of the Interim Rate Structure on March 1, 2013 (or as soon thereafter as could practicably be implemented by the County’s billing partners), *see* 2012 Rate Resolution Finding ¶ X, and the Interim Rate Structure was successfully implemented on March 1, 2013, and has been duly administered thereafter in accordance with its terms;

WHEREAS,

- L. Following the enactment and implementation of the Interim Rate Structure, the County and certain of the County’s creditors negotiated in good faith a series of arms-length, and interlocking compromises and settlements, including with respect to numerous complex and interwoven issues concerning the operation and financing of the Sewer System, and such settlements will (subject to and upon the occurrence of the Effective Date of the Plan, including but not limited to confirmation of the Plan and completion of the refinancing) fully and finally resolve more than five years of resource-consuming litigation and allow the County to exit bankruptcy by the end of 2013;

WHEREAS,

- M. On June 4, 2013, to memorialize the settlements described in Recital L, the County Commission approved three Sewer Plan Support Agreements effective as

of June 6, 2013, with the JPMorgan Parties, *see* R-4294-4337, the Supporting Sewer Warrantholders and JPMorgan Chase Bank, N.A., *see* R-4338-4408, and the Sewer Warrant Insurers, *see* R-4409-59;

WHEREAS,

- N. On June 27, 2013, further pursuant to the negotiations and settlements described above, the County Commission approved a fourth Sewer Plan Support Agreement with the Sewer Liquidity Banks, *see* R-4460-85;

WHEREAS,

- O. On July 23, 2013, further pursuant to the negotiations and settlements described above, the County Commission approved a fifth Sewer Plan Support Agreement with LBSF, *see* R-4486-4500;

WHEREAS,

- P. Pursuant to the Sewer Plan Support Agreements and subject to the terms thereof (which control over the partial summary below), the County has agreed to, among other things:
- i. Expediently prosecute, confirm, and consummate the Plan, which incorporates the provisions of, and is otherwise materially consistent with, the Sewer Plan Support Agreements;
 - ii. Implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to November 25, 2013, unless such date is extended by each of the Sewer Plan Support Parties (other than LBSF) in their sole and absolute discretion; and
 - iii. Cause the Effective Date of an Acceptable Plan to occur prior to December 20, 2013, or, if extended under the Supporting Sewer Warrantholder Plan Support Agreement, prior to December 31, 2013;

WHEREAS,

- Q. On June 30, 2013, the County filed its initial chapter 9 plan, *see* R-3161-3262, and accompanying disclosure statement, *see* R-2914-3715, which included as an exhibit, *inter alia*, the Financing Plan preliminarily approved by the County Commission on June 4, 2013, *see* R-3695-3700;

WHEREAS,

- R. On July 29, 2013, the County filed its amended Plan, *see* R-3965-4069, and accompanying Disclosure Statement, *see* R-3716-4537, which included as exhibits, *inter alia*, the Amended Financing Plan preliminarily approved by the County Commission on July 23, 2013, *see* R-4517-22, and the Approved Rate

Structure, *see* R-4061-68, which details how the adjustments to Sewer System rates and charges contemplated by the Amended Financing Plan and the Plan will be implemented;

WHEREAS,

- S. The Amended Financing Plan and Approved Rate Structure are based on certain assumptions regarding future projected revenues, operating expenses, and capital expenditures, and future market conditions under which the New Sewer Warrants can be issued;

WHEREAS,

- T. The Plan incorporates the material terms of the Sewer Plan Support Agreements and represents a global compromise and settlement of, *inter alia*, hotly contested claims relating to the control of, the rates for, and the debt associated with the Sewer System, including whether and how to compromise disputes and causes of action arising from the fraud, waste, and corruption detailed in the 2012 Rate Resolution;

WHEREAS,

- U. Through the Plan and subject to the Effective Date, the County will achieve more than \$1.3 billion of permanent Sewer Debt Claim concessions (the largest of which will be made by the JPMorgan Parties), which concessions will substantially reduce the amount of the County's Sewer System-related indebtedness from approximately \$3.2 billion of principal and interest as of the County's chapter 9 filing to approximately \$1.835 billion post-bankruptcy -- a reduction of approximately 40%;

WHEREAS,

- V. Through the Plan and subject to the Effective Date, the County will also achieve the elimination of approximately \$750 million of swap termination fees, *see* R-4012 (Plan § 2.3(e));

WHEREAS,

- W. Provided the Effective Date occurs, the Plan will enable the County to emerge from Chapter 9 expeditiously, which in turn will facilitate efforts to develop the County's economy and expand the number of business and non-business users of the Sewer System, which will have the positive effect of reducing future rate increase requirements;

WHEREAS,

- X. As contemplated by the Amended Financing Plan, following compliance with procedures required by state law, the County expects to distribute under the Plan

approximately \$1.835 billion to its existing creditors on account of and in full satisfaction of their Sewer Debt Claims;

WHEREAS,

- Y. The Amended Financing Plan is contingent on the County's compliance with the Approved Rate Structure;

WHEREAS,

- Z. The Approved Rate Structure contemplates that the County Commission will consider enacting the rates and charges embodied therein through an "October Resolution"; for avoidance of doubt, this resolution is the October Resolution contemplated by the Approved Rate Structure;

WHEREAS,

- AA. The Approved Rate Structure enumerates the various categories of rates, charges, and fees (collectively, the "User Charges") that the County currently charges for sewer service, which User Charges took effect on March 1, 2013, and are embodied in the Charge Ordinance;

WHEREAS,

- BB. Effective March 1, 2013, the current User Charges are as follows:

- i. Monthly base charge (5/8" meter): \$10.00;
- ii. Monthly base charge (3/4" meter): \$11.00;
- iii. Monthly base charge (1" meter): \$14.00;
- iv. Monthly base charge (1.5" meter): \$18.00;
- v. Monthly base charge (2" meter): \$29.00;
- vi. Monthly base charge (3" meter): \$110.00;
- vii. Monthly base charge (4" meter): \$140.00;
- viii. Monthly base charge (6" meter): \$210.00;
- ix. Monthly base charge (8" meter): \$290.00;
- x. Monthly base charge (10" meter): \$370.00;
- xi. Non-residential block volumetric charge: \$7.60 per CCF;
- xii. Residential block volumetric charge (first three CCF): \$4.50 per CCF;

- xiii. Residential block volumetric charge (next three CCF): \$7.00 per CCF;
- xiv. Residential block volumetric charge (additional CCF): \$8.00 per CCF;
- xv. Surcharge for BOD (300 mg/l strength): \$0.8284 per pound;
- xvi. Surcharge for COD (750 mg/l strength): \$0.4142 per pound;
- xvii. Surcharge for TSS (300 mg/l strength): \$0.2734 per pound;
- xviii. Surcharge for FOG (50 mg/l strength): \$0.1715 per pound;
- xix. Surcharge for TP (4 mg/l strength): \$3.2650 per pound;
- xx. Septage and domestic wastewater charge: \$60.00 per 1,000 gallons;
- xxi. Private meter application processing fee: \$12.00 per application;
- xxii. Sewer impact fees for new connections to the system: \$225.00 per fixture;
- xxiii. Connection fee for properties currently on septic: \$100.00;
- xxiv. Impact fee refund charge (1-10 fixtures): \$20.00;
- xxv. Impact fee refund charge (11-50 fixtures): \$30.00;
- xxvi. Impact fee refund charge (more than 50 fixtures): \$50.00;
- xxvii. Connection permit (pre-installation): \$50.00;
- xxviii. Connection permit (post-installation): \$550.00;
- xxix. Repair permit (pre-installation): \$50.00;
- xxx. Repair permit (post-installation): \$550.00;
- xxxi. Tap permit: \$550.00;
- xxxii. Disconnection permit: \$25.00;
- xxxiii. Grease trap annual inspection fee (1-5 units): \$300.00;
- xxxiv. Grease trap annual inspection fee (6-10 units): \$500.00;
- xxxv. Grease trap annual inspection fee (additional units): \$200.00 per 5 additional units;
- xxxvi. Grease trap non-compliance fee: \$400.00;
- xxxvii. Grease trap re-inspection fee: \$400.00;

xxxviii. Grease trap exemption fee: \$300.00;

xxxix. Lien recording fee: \$16.00;

xl. Lien satisfaction fee: \$16.00;

xli. Return check fee: \$30.00; and

xlii. Pay off amount: \$4.00 per sheet;

WHEREAS,

- CC. The Approved Rate Structure provides that the County Commission will, in compliance with Amendment 73 and Act 619, consider a series of adjustments to User Charges, including an upward adjustment of \$5.00 (scaled by meter size in accordance with the AWWA M1 Manual reference for meter equivalence ratio) in the residential and non-residential monthly base charge and an upward adjustment of 3.49% in non-residential volumetric charges, both to take effect November 1, 2013;

WHEREAS,

- DD. In addition to the changes in User Charges scheduled to take effect on November 1, 2013, the Approved Rate Structure contemplates that the County Commission will consider certain Required Percentage Increases of overall User Charges that will take effect only if the Effective Date of the Plan, including but not limited to confirmation of the Plan and completion of the refinancing, has occurred by January 1, 2014;

WHEREAS,

- EE. The Approved Rate Structure provides that – if and only if the Effective Date of the Plan, including but not limited to confirmation of the Plan and completion of the refinancing, has occurred by January 1, 2014 – the First Required Percentage Increase shall increase the User Charges in effect as of November 1, 2013, by 7.89%, effective no later than November 1, 2014, and that such User Charges shall remain in effect through and including September 30, 2015;

WHEREAS,

- FF. The Approved Rate Structure provides that – if and only if the Effective Date of the Plan, including but not limited to confirmation of the Plan and completion of the refinancing, has occurred by January 1, 2014 – the Second Required Percentage Increase shall increase the User Charges in effect as of September 30, 2015, by 7.89%, effective no later than October 1, 2015, and that such User Charges shall remain in effect through and including September 30, 2016;

WHEREAS,

- GG. The Approved Rate Structure provides that – if and only if the Effective Date of the Plan, including but not limited to confirmation of the Plan and completion of the refinancing, has occurred by January 1, 2014 – the Third Required Percentage Increase shall increase the User Charges in effect as of September 30, 2016, by 7.89%, effective no later than October 1, 2016, and that such User Charges shall remain in effect through and including September 30, 2017;

WHEREAS,

- HH. The Approved Rate Structure provides that – if and only if the Effective Date of the Plan, including but not limited to confirmation of the Plan and completion of the refinancing, has occurred by January 1, 2014 – the Fourth Required Percentage Increase shall increase the User Charges in effect as of September 30, 2017, by 7.89%, effective no later than October 1, 2017, and that such User Charges shall remain in effect through and including September 30, 2018;

WHEREAS,

- II. The Approved Rate Structure provides that – if and only if the Effective Date of the Plan, including but not limited to confirmation of the Plan and completion of the refinancing, has occurred by January 1, 2014 – for each fiscal year starting with the fiscal year beginning October 1, 2018, and continuing through the remaining term of the New Sewer Warrants, the User Charges in effect as of September 30 of the immediately preceding fiscal year shall be increased by 3.49% for each remaining fiscal year that the New Sewer Warrants remain outstanding;

WHEREAS,

- JJ. The Approved Rate Structure contemplates that each of the Required Percentage Increases shall be made by uniformly adjusting the fees and charges in each of the categories of User Charges by the requisite percentage (the “Uniform Method”), provided, however, that the County may elect to make the Required Percentage Increases non-uniformly by increasing, decreasing, or leaving unchanged certain of the fees and charges in each of the categories of User Charges (the “Non-Uniform Method”) upon certification (pursuant to the terms of the Approved Rate Structure and the New Sewer Warrant Indenture) that the revenues projected to be generated in the fiscal year for which the Required Percentage Increase is applicable will be greater than or equal to the revenues that would be projected to be generated in that same fiscal year if the Uniform Method had instead been used;

WHEREAS,

- KK. To ensure that User Charges are neither too high nor too low to meet the Sewer System’s needs, the Approved Rate Structure allows the County Commission to

enact appropriate Adjusting Resolutions that: (i) modify the Required Percentage Increase for the next fiscal year; (ii) provide for the implementation of the Required Percentage Increase via the Non-Uniform Method; and (iii) modify the existing categories of User Charges;

WHEREAS,

- LL. Eric Rothstein, a nationally recognized water and wastewater utility consultant and strategic financial planner, has provided sworn testimony to the County Commission that, *inter alia*:
- i. States that if the Effective Date of the Plan occurs (and the Sewer Debt Claim concessions contained in the Plan thus permanently reduce the aggregate amount of the County's Sewer System-related indebtedness by approximately \$1.3 billion), the rates and charges embodied in the Approved Rate Structure are expected to generate sufficient revenues to pay: (a) the Sewer System's future projected operating expenses, as such future costs are assumed in the Amended Financing Plan and the Approved Rate Structure; (b) the Sewer System's future projected capital expenditures, as and to the extent such future costs are assumed in the Amended Financing Plan and the Approved Rate Structure; and (c) the principal and interest on the New Sewer Warrants as such principal and interest becomes due and payable, as such future costs are assumed in the Amended Financing Plan and the Approved Rate Structure;
 - ii. Compares the relative burden on customers of the Sewer System with burdens on customers of other sewer systems facing particularly challenging system financing requirements, including those imposed to achieve compliance with federal consent decrees; and
 - iii. States that, in Mr. Rothstein's professional judgment, in the specific context presented by the combination of all of the factors outlined above, the rate adjustments contemplated by the Approved Rate Structure are reasonable, non-discriminatory, and appropriate under the circumstances;

WHEREAS,

- MM. Resolving more than five years of litigation concerning the operation and financing of the Sewer System and exiting bankruptcy on a consensual basis by the close of 2013 with approximately 40% less Sewer Debt is of substantial benefit to the County, its residents, ratepayers, taxpayers, creditors, and all interested parties; and

WHEREAS,

- NN. In addition to the County Commission's amendment of the Charge Ordinance to embody the revised User Charges, David Denard, Director of ESD, has

recommended modifying certain language in the Charge Ordinance to clarify intent;

THE JEFFERSON COUNTY COMMISSION FINDS AND DETERMINES THAT:

- I. The County Commission can exercise its constitutional responsibility to make “reasonable and nondiscriminatory rules and regulations fixing rates and charges,” R-2067 (Amendment 73), for sewer service, and may appropriately do so on the basis of the record adduced to date, all of which the County Commission has carefully considered;
- II. The process by which this resolution was adopted and the rates were enacted accords with Alabama law (Amendment 73 and Act 619) and constitutional guarantees of due process, including full and fair notice and opportunity to be heard;
- III. Mr. Rothstein is an expert utility system consultant, and it is appropriate for the County Commission to rely upon his sworn testimony, which is credible and reliable and uncontradicted by any other evidence before the County Commission;
- IV. The interlocking settlements that give rise to the Plan, the Amended Financing Plan, and the Approved Rate Structure: (i) are the product of extensive arms’ length negotiations conducted in good faith over a period of many months among the County and its advisors and professionals, on the one hand, and numerous separate creditor constituencies and their respective advisors and professionals, on the other hand; (ii) represent a multifaceted, multiparty compromise of many hotly contested disputes; and (iii) are reasonable, fair, equitable, and in the best interests of the County, its residents, ratepayers, taxpayers, creditors, and all interested parties;
- V. The Amended Financing Plan was developed and the Plan was negotiated and proposed with the legitimate and honest purpose of allowing the County to adjust its debts and emerge from bankruptcy with a capital structure that will allow the County to satisfy its obligations with sufficient liquidity and capital resources while continuing to provide for the health, safety, and welfare of its citizens in accordance with applicable law;
- VI. Under the circumstances now presented, modifying the User Charges to increase the monthly base charge by \$5.00 per month (scaled by meter size in accordance with the AWWA M1 Manual reference for meter equivalence ratio) and increase the non-residential block volumetric charge by 3.49%, effective November 1, 2013, is reasonable and non-discriminatory, and is consistent with Amendment 73, Act 619, and the advice and recommendations of the County’s rate consultant;
- VII. Under the circumstances now presented and conditioned upon the occurrence of the Effective Date (including but not limited to confirmation of the Plan and completion of the refinancing) by January 1, 2014, modifying the User Charges in effect as of November 1, 2013, by the First Required Percentage Increase, *i.e.*, 7.89%, effective no later than November 1, 2014, is reasonable and non-discriminatory, and is consistent with Amendment 73, Act 619, and the advice and recommendations of the County’s rate consultant;

- VIII. Under the circumstances now presented and conditioned upon the occurrence of the Effective Date (including but not limited to confirmation of the Plan and completion of the refinancing) by January 1, 2014, modifying the User Charges in effect as of September 30, 2015, by the Second Required Percentage Increase, *i.e.*, 7.89%, effective no later than October 1, 2015, is reasonable and non-discriminatory, and is consistent with Amendment 73, Act 619, and the advice and recommendations of the County's rate consultant;
- IX. Under the circumstances now presented and conditioned upon the occurrence of the Effective Date (including but not limited to confirmation of the Plan and completion of the refinancing) by January 1, 2014, modifying the User Charges in effect as of September 30, 2016, by the Third Required Percentage Increase, *i.e.*, 7.89%, effective no later than October 1, 2016, is reasonable and non-discriminatory, and is consistent with Amendment 73, Act 619, and the advice and recommendations of the County's rate consultant;
- X. Under the circumstances now presented and conditioned upon the occurrence of the Effective Date (including but not limited to confirmation of the Plan and completion of the refinancing) by January 1, 2014, modifying the User Charges in effect as of September 30, 2017, by the Fourth Required Percentage Increase, *i.e.*, 7.89%, effective no later than October 1, 2017, is reasonable and non-discriminatory, and is consistent with Amendment 73, Act 619, and the advice and recommendations of the County's rate consultant;
- XI. Under the circumstances now presented and conditioned upon the occurrence of the Effective Date (including but not limited to confirmation of the Plan and completion of the refinancing) by January 1, 2014, for each fiscal year starting with the fiscal year beginning October 1, 2018 and continuing through the remaining term of the New Sewer Warrants, modifying the User Charges in effect as of September 30 of the immediately preceding year by the Residual Annual Required Percentage Increase, *i.e.*, 3.49% per year, is reasonable and non-discriminatory, and is consistent with Amendment 73, Act 619, and the advice and recommendations of the County's rate consultant;
- XII. Under the circumstances now presented and conditioned upon the occurrence of the Effective Date (including but not limited to confirmation of the Plan and completion of the refinancing) by January 1, 2014, the User Charges embodied in the Approved Rate Structure, and the revenues projected to be generated by such User Charges, are designed to meet the forecasted cost of operating the Sewer System in compliance with applicable law and in service to the community, and if such User Charges produce more revenue in a given year than is required to pay the costs of operating the Sewer System in compliance with applicable law, the County Commission may adopt Adjusting Resolutions that decrease rates or reduce or defer future rate increases;
- XIII. It is appropriate for the Commission to enact an amended and restated Charge Ordinance to reflect the revised User Charges that will take effect November 1, 2013, and to incorporate the technical changes recommended by ESD;

- XIV. It is appropriate for the County to agree in connection with confirmation of the Plan that the Bankruptcy Court shall have and retain exclusive jurisdiction to enforce the Approved Rate Structure and the Rate Resolution, to require the County to otherwise comply with the New Sewer Warrants and the New Sewer Warrant Indenture, and to hear and adjudicate any action or proceeding enforcing, challenging, or collaterally attacking the Approved Rate Structure or this Resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE JEFFERSON COUNTY COMMISSION, THAT:

1. Effective November 1, 2013, the monthly base charge will be increased by \$5.00 (scaled by meter size in accordance with the AWWA M1 Manual reference for meter equivalence ratio), and non-residential block volumetric charges will be increased 3.49%;
2. If and only if the Effective Date of the Plan (including but not limited to confirmation of the Plan and completion of the refinancing) has occurred by January 1, 2014, the User Charges in effect as of November 1, 2013, will be increased by 7.89%, effective no later than November 1, 2014, and such modified User Charges shall remain in effect through and including September 30, 2015, without any further action by the County Commission;
3. If and only if the Effective Date of the Plan (including but not limited to confirmation of the Plan and completion of the refinancing) has occurred by January 1, 2014, the User Charges in effect as of September 30, 2015, will be increased by 7.89%, effective no later than October 1, 2015, and such modified User Charges shall remain in effect through and including September 30, 2016, without any further action by the County Commission;
4. If and only if the Effective Date of the Plan (including but not limited to confirmation of the Plan and completion of the refinancing) has occurred by January 1, 2014, the User Charges in effect as of September 30, 2016, will be increased by 7.89%, effective no later than October 1, 2016, and such modified User Charges shall remain in effect through and including September 30, 2017, without any further action by the County Commission;
5. If and only if the Effective Date of the Plan (including but not limited to confirmation of the Plan and completion of the refinancing) has occurred by January 1, 2014, the User Charges in effect as of September 30, 2017, will be increased by 7.89%, effective no later than October 1, 2017, and such modified User Charges shall remain in effect through and including September 30, 2018, without any further action by the County Commission;
6. If and only if the Effective Date of the Plan (including but not limited to confirmation of the Plan and completion of the refinancing) has occurred by January 1, 2014, for each fiscal year starting with the fiscal year beginning October 1, 2018, and continuing through the remaining term of the New Sewer Warrants, the User Charges in effect as of September 30 of the immediately preceding fiscal year shall be increased by 3.49% for each remaining fiscal year that the New Sewer Warrants remain outstanding, without any further action by the County Commission;

7. If and only if the Effective Date of the Plan (including but not limited to confirmation of the Plan and completion of the refinancing) has occurred by January 1, 2014, and absent a duly enacted Adjusting Resolution (consistent with the terms of the Approved Rate Structure and the New Sewer Warrant Indenture) providing otherwise, implementation of the percentage increases specified in Resolving ¶¶ 2 – 6 inclusive shall be made by uniformly adjusting the fees and charges in each of the categories of User Charges by the Uniform Method;
8. If and only if the Effective Date of the Plan (including but not limited to confirmation of the Plan and completion of the refinancing) has occurred by January 1, 2014, the County stipulates and agrees that holders of the New Sewer Warrants have a strict legal right, enforceable by mandamus, to implementation of the Required Percentage Increases (either by the Uniform Method or by the terms of any applicable Adjusting Resolution that has been duly enacted for the fiscal year in question), and that the Bankruptcy Court has and retains exclusive jurisdiction pursuant to the Plan and related confirmation order to provide such relief and to hear and adjudicate any action or proceeding in connection therewith;
9. Notwithstanding anything to the contrary herein, if the Effective Date of the Plan (including but not limited to confirmation of the Plan and completion of the refinancing) has not occurred by January 1, 2014, the provisions of Resolving ¶¶ 2 – 8 inclusive shall be null, void, and of no effect whatsoever;
10. The County's legal counsel, consultants, and advisors are authorized and directed to take all steps necessary and appropriate to consummate the Plan;
11. The Amended and Restated Jefferson County Sewer Use Charge Ordinance (No. 1809), originally enacted November 6, 2012, is **ADOPTED** and shall take effect on November 1, 2013; and
12. The Minute Clerk shall maintain the Record, as the basis on which the County Commission has exercised its authority, *cf. Pilcher v. City of Dothan*, 93 So. 16, 19 (Ala. 1922) (“[M]unicipal governmental action, of which a record is required to be made, cannot be shown by parol; [rather,] the records themselves (unless lost or destroyed) are the best and only evidence of such governmental action.”), in the Minute Clerk's office separate and apart from the official minutes of the County Commission;

DONE and ORDERED this 23rd day of September, 2013.

APPROVED BY THE
JEFFERSON COUNTY COMMISSION
 DATE: 9-23-13
 MINUTE BOOK: 165
 PAGE(S): 330-344

APPENDIX C

RETIRED SEWER WARRANTS

| | |
|--|---------------|
| Sewer Revenue Warrants | Series 1997-A |
| Sewer Revenue Capital Improvement Warrants | Series 2001-A |
| Sewer Revenue Capital Improvement Warrants | Series 2002-A |
| Sewer Revenue Warrants | Series 2002-C |
| Sewer Revenue Warrant | Series 2003-A |
| Sewer Revenue Warrants | Series 2003-B |
| Sewer Revenue Warrants | Series 2003-C |

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX D

**ACCRETED VALUE OF THE SERIES 2013-B WARRANTS, THE SERIES 2013-C WARRANTS,
THE SERIES 2013-E WARRANTS, AND THE SERIES 2013-F WARRANTS**

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX E

MUNICIPAL ADVISOR'S FEASIBILITY STUDY

[THIS PAGE INTENTIONALLY LEFT BLANK]

Municipal Advisor's Feasibility Study Series 2013 Sewer Warrants

Prepared for:
Jefferson County, Alabama



Prepared by:
Galardi Rothstein Group

NOVEMBER 4, 2013

November 4, 2013

Jefferson County Commissioners
Jefferson County Courthouse
716 Richard Arrington Jr. Blvd North
Birmingham, AL 35203



Subject: Municipal Advisor's Feasibility Study - Series 2013 Sewer Warrants

Dear Commissioners,

Jefferson County, through the County's legal counsel, engaged Galardi Rothstein Group supported by Brown & Caldwell to prepare this report on the financial feasibility of the County's Series 2013 Sewer Warrants. This report has been developed in collaboration with the County's Environmental Services Department, which is responsible for managing, operating, controlling, and administering the County's sewer system (the System).

The report updates and revises information developed by the County in conjunction with the development of the Amended and Restated Plan of Adjustment related to its bankruptcy filing. It reports on revised projections of System revenues, operating expenses and capital improvement project expenditures and summarizes a comprehensive projection of the Department's financial performance for the period FY 2014 through FY 2023. Of particular importance, this report incorporates:

- Service revenue projections over the forecast period reflecting assumptions of limited account growth (despite ongoing economic development and System coverage efforts), price elasticity of demand, and price independent conservation.
- Revisions to Operation & Maintenance expense projections that incorporate adjustments to provide greater assurance of compliance with regulations related to Sanitary Sewer Overflows and adoption of industry standard information system technologies.
- Revisions to capital improvement program expenditure projections to provide assurance of the Department's compliance with future regulatory requirements, adoption of industry standard information system technologies, and implementation of asset management programs.

The financial projections reported herein demonstrate that the County can support the Series 2013 Sewer Warrants throughout the forecast period from System revenues derived primarily from Commission-approved sewer rates and charges. We affirm the financial feasibility of the Department's revised capital financing strategy for the forecast period. We appreciate the opportunity to conduct this review and are prepared to answer any questions regarding its contents.

A handwritten signature in black ink, appearing to read "Eric Rothstein".

Eric Rothstein, CPA
Principal

Contents

| | | |
|------------|--|------------|
| 1.0 | Introduction..... | 1-1 |
| 1.1 | Purpose..... | 1-1 |
| 1.2 | Scope..... | 1-1 |
| 1.3 | Firm Qualifications..... | 1-2 |
| 1.4 | Bankruptcy Overview | 1-3 |
| 1.5 | Report Organization..... | 1-4 |
| 2.0 | Environmental Services Department..... | 2-1 |
| 2.1 | Departmental Governance Structure | 2-1 |
| 2.1.1 | Jefferson County Commission | 2-1 |
| 2.1.2 | County Management..... | 2-1 |
| 2.1.3 | County Governance and Management During the Chapter 9 Case | 2-2 |
| 2.1.4 | Effect of Confirmation and Implementation of the Plan of Adjustment upon County Governance and Management Post-Confirmation | 2-3 |
| 2.2 | Billing, Collection and Rate-Making Authority | 2-3 |
| 2.3 | Billing Partners and Method of Accounting..... | 2-4 |
| 2.3.1 | Charges and Adjustments | 2-4 |
| 2.4 | Personnel Management | 2-4 |
| 2.5 | Department Organization and Staffing Levels..... | 2-5 |
| 2.5.1 | Functional Areas..... | 2-9 |
| 2.5.2 | County Support Services..... | 2-11 |
| 2.6 | Budget Process | 2-11 |
| 3.0 | Sewer System | 3-1 |
| 3.1 | Overview and Legislative Authority | 3-1 |
| 3.2 | Sewer Accounts..... | 3-2 |
| 3.3 | Service Area | 3-2 |
| 3.4 | Collection and Transmission System..... | 3-4 |
| 3.5 | Pump Stations..... | 3-4 |
| 3.6 | Wastewater Treatment Facilities | 3-5 |
| 3.6.1 | Cahaba River WWTP..... | 3-7 |
| 3.6.2 | Five Mile Creek WWTP | 3-8 |
| 3.6.3 | Leeds WWTP..... | 3-9 |

| | | |
|------------|---|------------|
| 3.6.4 | Prudes Creek WWTP | 3-9 |
| 3.6.5 | Trussville WWTP | 3-10 |
| 3.6.6 | Turkey Creek WWTP | 3-10 |
| 3.6.7 | Valley Creek WWTP | 3-11 |
| 3.6.8 | Village Creek WWTP | 3-12 |
| 3.6.9 | Warrior WWTP..... | 3-13 |
| 3.6.10 | Scott's Branch Pretreatment Facility | 3-14 |
| 3.6.11 | Barton Laboratory | 3-14 |
| 3.6.12 | Biosolids Program | 3-14 |
| 3.7 | WWTP Operational Performance..... | 3-14 |
| 4.0 | Permitting and Regulatory Issues..... | 4-1 |
| 4.1 | Overview | 4-1 |
| 4.2 | Permitting Status – Wastewater System..... | 4-1 |
| 4.2.1 | Treatment Plants..... | 4-1 |
| 4.2.2 | Collection Systems | 4-2 |
| 4.3 | Consent Orders and Other Legal Issues..... | 4-2 |
| 4.4 | Future Regulatory Issues..... | 4-5 |
| 4.4.1 | Nutrient Removal Requirements..... | 4-5 |
| 4.4.2 | Changes in Use Designation..... | 4-7 |
| 4.4.3 | Mercury | 4-7 |
| 4.4.4 | Biosolids..... | 4-8 |
| 5.0 | Operations & Maintenance Expenses | 5-1 |
| 5.1 | Operations Overview..... | 5-1 |
| 5.1.1 | Collection Systems..... | 5-1 |
| 5.1.2 | Pump Stations..... | 5-1 |
| 5.1.3 | Treatment Plants..... | 5-2 |
| 5.2 | Staffing | 5-2 |
| 5.3 | Operating Budgets | 5-2 |
| 5.3.1 | Personnel..... | 5-3 |
| 5.3.2 | Utilities | 5-4 |
| 5.3.3 | Billing Services | 5-4 |
| 5.3.4 | Legal and Professional Services | 5-6 |
| 5.3.5 | Contractual Operations/Maintenance Support..... | 5-6 |
| 5.3.6 | Functional Support Services..... | 5-7 |
| 5.3.7 | Parts, Supplies and Miscellaneous Equipment..... | 5-8 |
| 5.4 | O&M Expense Projection, FY 2014 – FY 2023 (Constant Dollars)..... | 5-8 |

| | | |
|------------|---|------------|
| 5.4.1 | Personnel Services..... | 5-9 |
| 5.4.2 | Utilities | 5-9 |
| 5.4.3 | Billing Services | 5-9 |
| 5.4.4 | Legal and Professional Services | 5-9 |
| 5.4.5 | Contractual Operations and Maintenance Support | 5-9 |
| 5.4.6 | Functional Support Services..... | 5-9 |
| 5.4.7 | Enhanced Maintenance: Parts & Supplies..... | 5-9 |
| 5.4.8 | Incremental O&M | 5-10 |
| 5.4.9 | Incremental IT Support & Implementation | 5-10 |
| 6.0 | Capital Project Expenditures..... | 6-1 |
| 6.1 | Overview | 6-1 |
| 6.1.1 | Rehabilitation | 6-2 |
| 6.1.2 | Replacement | 6-2 |
| 6.1.3 | Consent Decree Compliance | 6-2 |
| 6.2 | Asset Management Program..... | 6-2 |
| 6.2.1 | Documentation..... | 6-2 |
| 6.2.2 | Prioritization..... | 6-3 |
| 6.3 | Capital Improvement Program Development Process | 6-3 |
| 6.4 | Capital Improvement Program (CIP), FY 2014 - FY 2023 | 6-3 |
| 6.4.1 | Collection System Rehabilitation | 6-4 |
| 6.4.2 | Hydraulic Model & Capacity Assurance Support..... | 6-7 |
| 6.4.3 | Capital Equipment..... | 6-7 |
| 6.4.4 | Manhole Rehabilitation..... | 6-7 |
| 6.4.5 | IT Infrastructure & Services | 6-8 |
| 6.4.6 | Professional Engineering Services..... | 6-8 |
| 6.4.7 | Pump Station Upgrades..... | 6-8 |
| 6.4.8 | Right of Way Acquisition and Participation/Expansion Program | 6-9 |
| 6.4.9 | Sanitary Sewer & Manhole Repair and Replacement | 6-9 |
| 6.4.10 | Sewer Line Cleaning & Television Inspection (CCTV)..... | 6-10 |
| 6.4.11 | SSO Abatement & Capacity Improvement Projects | 6-11 |
| 6.4.12 | WWTP Regulatory Compliance Projects..... | 6-11 |
| 6.4.13 | WWTP Repair, Replacement, & Renewal Projects | 6-11 |
| 6.5 | Projected Capital Project Expenditures, FY 2014 - 23..... | 6-12 |
| 7.0 | Information Technology (IT) Review | 7-1 |
| 7.1 | Overview | 7-1 |
| 7.2 | ESD Information Systems Management Responsibilities..... | 7-1 |

| | | |
|------------|--|------------|
| 7.3 | Current State of Departmental Information Systems Assets..... | 7-2 |
| 7.4 | Information Technology Requirements | 7-7 |
| 7.4.1 | Budgetary Components | 7-7 |
| 7.4.2 | Incremental Operating Expenses | 7-8 |
| 7.4.3 | Capital Expenditures | 7-9 |
| 7.5 | Projected IT-Related Incremental Operating and Capital Expenses..... | 7-10 |
| 7.6 | Cyber Security Posture and Potential Cyber Security Regulation | 7-13 |
| 7.6.1 | Cyber Security Posture..... | 7-13 |
| 7.6.2 | Potential Cyber Security Regulation..... | 7-14 |
| 8.0 | Financial Performance..... | 8-1 |
| 8.1 | Overview | 8-1 |
| 8.2 | Historical Performance..... | 8-1 |
| 8.3 | Fund Structure | 8-3 |
| 8.3.1 | Revenue Fund | 8-3 |
| 8.3.2 | Senior Lien Debt Service Funds | 8-3 |
| 8.3.3 | Subordinate Lien Debt Service Funds | 8-3 |
| 8.3.4 | Operating Account..... | 8-3 |
| 8.3.5 | Senior Lien Reserve Funds..... | 8-4 |
| 8.3.6 | Subordinate Lien Reserve Funds..... | 8-4 |
| 8.3.7 | Capital Improvement Fund | 8-4 |
| 8.3.8 | Costs of Issuance Fund..... | 8-5 |
| 8.4 | Flow of Funds | 8-5 |
| 8.5 | Historical Rates..... | 8-6 |
| 8.6 | 2012 Sewer Bill Comparisons | 8-8 |
| 8.7 | Capital Financing | 8-10 |
| 8.8 | Historical and Forecasted Billing Determinants | 8-12 |
| 8.8.1 | Water Demand Patterns and Other Historical Data..... | 8-12 |
| 8.8.2 | Number of Accounts..... | 8-13 |
| 8.8.3 | Water Consumption | 8-14 |
| 8.8.4 | Billable Flows..... | 8-15 |
| 8.8.5 | Projected Billing Determinants..... | 8-16 |
| 8.9 | Forecasted Operating Results..... | 8-16 |
| 8.9.1 | Revenues | 8-19 |
| 8.9.2 | Operating Expenses | 8-21 |
| 8.9.3 | Other Expense | 8-21 |

8.9.4 Debt Service 8-22

8.9.5 Current Revenue Financing of Capital Improvements 8-22

8.9.6 Operating Account Balances 8-22

8.10 Projected Debt Service Coverage 8-23

8.11 Post-FY 2023 Capital Requirements 8-25

8.12 Financial Projection Summary 8-25

9.0 Findings and Conclusions 9-1

9.1 Consulting Engineer’s Findings and Conclusions 9-1

9.2 General Findings and Conclusions 9-2

Appendices

Appendix I: Approved Rate Schedule I-1

Appendix II: Data Sources II-1

Appendix III: Billing Cost Considerations III-1

Billing and Remittance Processing III-1

Paper Billing and Remittance Processing III-3

Paper Billing Frequency III-5

Implementation III-5

Tables

2-1 Environmental Services Department Historical Staffing by Area:
FY 2006 – FY 2013 2-5

2-2 Environmental Services Department Staffing – As of August 2013 2-9

3-1 Jefferson County Wastewater Treatment Plants and Collection Systems..... 3-1

3-2 Number of Pump Stations by Area..... 3-4

3-3 Wastewater Treatment Plant Operational Performance Summary – CY 2012 3-15

4-1 WWTP NPDES Permit Information 4-1

4-2 Consent Decree Status..... 4-4

5-1 Estimated Billing System Expense Requirements and Potential Savings
(Current Dollars)..... 5-5

5-2 Projected O&M Expenses, FY 2014 – FY 2023 (Constant Dollars)..... 5-11

5-3 Projected O&M Expenses, FY 2014 – FY 2023 (Nominal Dollars)..... 5-12

5-4 Assumed O&M Escalation Rates by Cost Category, FY 2014 – FY 2023 5-13

6-1 Projected Capital Expenditures, FY 2014 – FY 2023 (Constant Dollars)..... 6-5

6-2 Projected Capital Expenditures, FY 2014 – FY 2023 (Nominal Dollars)..... 6-6

6-3 CIP Expenditure Requirements, Sources & Uses of Funds, FY 2014 – FY 2023 6-12

| | | |
|------|--|------|
| 7-1 | Department Managed Information System Assets..... | 7-3 |
| 7-2 | Information System Related Asset Budgets, FY 2011 – FY 2013..... | 7-7 |
| 7-3 | Incremental Operating Expenses for Information Technology, FY 2014 – FY 2023 (Current Dollars)..... | 7-11 |
| 7-4 | Capital Expenses for Information Technology, FY 2014 – FY 2023 (Current Dollars)..... | 7-12 |
| 7-5 | Key IT Assets | 7-13 |
| 8-1 | Historical System Operating Results, FY 2007 – FY 2012 | 8-2 |
| 8-2 | Historical Sewer Rates and 5 CCF User Residential Bill, FY 2004 – FY 2013 | 8-7 |
| 8-3 | Monthly Sewer Bill Comparisons by Service Provider..... | 8-9 |
| 8-4 | Projected Capital Project Expenditures and Funding by Source, FY 2013 – FY 2023 | 8-11 |
| 8-5 | Historical Billing Determinants, FY 2007 through FY 2012..... | 8-12 |
| 8-6 | Number of Accounts and Assumed Growth by Customer Class and Billing Entity .. | 8-14 |
| 8-7 | Water Credit Adjustments by Customer Class and Billing Entity | 8-15 |
| 8-8 | Projected Billing Determinants, FY 2014 – FY 2023 | 8-17 |
| 8-9 | Projected Sources and Uses of Cash, Operating Account, FY 2013 - FY 2023 | 8-18 |
| 8-10 | Earned Revenue Adjustments by Customer Class and Billing Entity..... | 8-20 |
| 8-11 | Projected Senior Lien and Subordinate Debt Service Coverage..... | 8-24 |

Figures

| | | |
|-----|--|------|
| 2-1 | Environmental Services Department Organization..... | 2-7 |
| 3-1 | Sewer Service Area | 3-3 |
| 3-2 | Jefferson County Wastewater Treatment Plant Locations | 3-6 |
| 6-1 | Projected Capital Improvement Project Expenditures, FY 2014 – 2023..... | 6-1 |
| 8-1 | Monthly Residential Sewer Bill: Billable Flows of 5 CCF | 8-8 |
| 8-2 | Comparison of Annual Rainfall and Total Water Consumption in Jefferson County, FY 2006 - FY 2013..... | 8-13 |

Acronyms and Abbreviations

| | |
|------------------|---|
| ADEM | Alabama Department of Environmental Management |
| BC | Brown & Caldwell |
| BWWB | Birmingham Water Works Board |
| CAD | computer-aided design |
| CAPEX | Capital expenditures |
| CCF | hundred cubic feet |
| CIO | Chief Information Officer |
| CIP | Capital Improvement Program |
| CIS | Customer Information System |
| CMOM | Capacity, Management, Operation and Maintenance |
| COTS | commercial off-the-shelf |
| County | Jefferson County, Alabama |
| CSO | combined sewer overflow |
| Department / ESD | Environmental Services Department |
| EPA | United States Environmental Protection Agency |
| FY | fiscal year |
| GIS | geographical information systems |
| GRG | Galardi Rothstein Group, LLC. |
| I&C | Instrumentation and Control |
| IS | Information Systems |
| IT | Information Technology |
| KPI | key performance indicator |
| LAN | local area network |
| LF | linear feet |
| MCL | maximum contaminant level |
| MG | million gallons |

| | |
|--------|---|
| MGD | million gallons per day |
| NACWA | National Association of Clean Water Agencies |
| NAVD | North American Vertical Datum |
| NPDES | National Pollutant Discharge Elimination System |
| O&M | operation and maintenance |
| OPEX | operational expenditures |
| PLC | programmable logic control |
| PMT | program management team |
| ROW | right of way |
| SCADA | supervisory control and data acquisition |
| SEP | Supplemental Environmental Project |
| SSES | sanitary sewer evaluation survey |
| SSO | sanitary sewer overflow |
| System | County's sewer system |
| TMDL | total maximum daily load |
| TP | total phosphorus |
| UV | ultraviolet |
| VFD | variable frequency drive |
| WAN | wide area network |
| WWTP | wastewater treatment plant |

Credit Summary

Jefferson County, Alabama's sewer system (the System), operated by the County's Environmental Services Department, has faced an unprecedented series of challenges since the mid-1990s.¹ Under a Consent Decree entered by a U.S. District Court, the County has been required to amalgamate disparate community systems and work aggressively to eliminate Sanitary Sewer Overflows and bypasses in the County's collection systems and treatment plants.² The County has been under a different federal Consent Decree related to, among other things, hiring practices that has and continues to limit the Department's flexibility with respect to personnel management.³ In November 2011, the County filed for Chapter 9 bankruptcy protection following a series of unexpected events relating to its outstanding indebtedness, including most notably the acceleration of debt service obligations on a portion of the System's outstanding sewer warrants.⁴

While prospective reduction and restructuring of the System's indebtedness under the County's Amended and Restated Plan of Adjustment (Plan of Adjustment) is perhaps the most critical step in rebuilding the financial foundation and resiliency of the System, it is by no means the first. As discussed in subsequent sections, the Department has:

- Implemented a number of measures to streamline operating expenses including a Personnel Plan that has reduced staffing by approximately 25% between FY 2006 and FY 2013.
- Initiated Asset Management Programs designed to minimize the life-cycle costs of capital assets at acceptable levels of risks.
- Initiated Information Systems master planning to more fully leverage existing IT systems and realize available improvements in efficiency, revenue collections and customer service.
- Restructured sewer rates and charges to more equitably distribute cost responsibilities and enhance revenue stability and resiliency.
- Enhanced System operations and maintenance, and prioritized capital project spending, to reduce risks of regulatory non-compliance and enforcement actions.

The System will continue to face significant challenges over the FY 2014– FY 2023 forecast period and beyond. Uncertainties prevail with respect to future regulatory requirements, System account growth, asset renewal and replacement and other factors. Perhaps most notably, beyond the forecast period the Department will face the need to finance a substantial amount of capital expenditure that will require increases to service rates and charges not contemplated in the County's

¹See generally Jefferson County's Memorandum In Support of Eligibility, pp. 17-34, filed in *In re Jefferson County, Alabama*, Case No. 11-05736-TBB9, United States Bankruptcy Court for the Northern District of Alabama, Nov. 9, 2011 ("Memorandum In Support of Eligibility").

²See Consent Decree in *R. Allen Kipp et al. v. Jefferson County, Alabama et al.*, Civil Action No. 93-G-2492-S, consolidated with *United States v. Jefferson County, Alabama et al.*, Civil Action No. 94-G-2947-S, United States District Court for the Northern District of Alabama, December 9, 1996. The sewer Consent Decree litigation is discussed more fully in Section 4.3.

³See Consent Decree in *United States v. Jefferson County, et al.*, Civil Action No. 2:75-cv-00666-CLS, United States District Court for the Northern District of Alabama, Dec. 29, 1982, as modified on Oct. 16, 2013. The hiring practices Consent Decree litigation is discussed more fully in Section 2.4 of this report.

⁴See generally Memorandum In Support of Eligibility, pp. 10-38.

bankruptcy Plan of Adjustment. However, these uncertainties are typical of major sewer systems and System staff, galvanized by the crucible of recent experience, is well prepared and capable of managing the System.

Notably, potential positive developments that would enhance the System's financial position also characterize the outlook for the System, particularly in light of the conservative nature of projection protocols. In particular,

- Service revenue projections are based on assumptions of limited account growth and factors relating to prospective declines in per account consumption. Revenue generation performance will be higher than forecast in the event that ongoing economic development and System coverage improvement efforts are effective or if exhibited water conservation is less pronounced than forecast. These positive outcomes would be readily supportable by sufficient treatment capacity that is available in the County's facilities.
- Projections of Operation & Maintenance expenses (OPEX) forecasts incorporate cost escalation assumptions of between 2.00 and 3.50% by OPEX category. In the event that operating cost factors are not subject to these inflationary trends or County management is able to mitigate inflationary cost pressures – as has been characteristic of many sewer utilities over the course of the last decade - the financial performance of the System will be enhanced.
- Projected capital expenditures have been escalated at a default capital cost escalation rate of 3.0% per annum across all categories of capital expenditure. To the extent that future capital expenditures are subject to lower compounding cost escalation or future projects can be avoided or deferred, pressures on System finances may be alleviated.
- Projected capital expenditures are based on compliance with Phosphorus removal requirements in the latter years of the forecast period to levels that approach current technology limits at selected wastewater treatment plants (Cahaba River, Trussville). In the event that the County is successful in demonstrating to its regulators that these levels of Phosphorus removal will not be a cost-effective means to address water quality concerns or should be deferred, associated pressure on System rates will be alleviated.

The projections of revenues, operating expenses, and capital expenditures presented herein demonstrate the feasibility of the 2013 Sewer Warrants. Based on the assumptions, projections, and conclusions of this Municipal Advisor's Feasibility Study (Study), the County will be able to meet its debt obligations and establish a resilient and sustainable foundation for efficient and effective sewer service delivery throughout the forecast period and beyond.

1.0 Introduction

1.1 Purpose

The purpose of this report is to review the operation and maintenance (O&M) of Jefferson County's (the County's) sewer system (the System), update progress on the County's capital improvement programs including compliance with its Consent Decree, and provide a detailed projection of the financial performance of the Environmental Services Department of the County (the "Department" or "ESD") for the period Fiscal Year (FY) 2014 through FY 2023.

This report has been developed in collaboration with the Department that is responsible for operating, maintaining and upgrading the System. The County has requested that Galardi Rothstein Group (GRG), in collaboration with Brown & Caldwell (BC), prepare this report to demonstrate the financial feasibility of its planned issuance of its Series 2013 Sewer Warrants. The proceeds of these warrants will be used to refinance selected outstanding debt obligations. The County will employ current revenues (including future rate increase service revenues, impact fees and miscellaneous charges) to finance future capital projects as delineated in Section 8.

1.2 Scope

This report summarizes the results of collaborative reviews and revisions of the Jefferson County Environmental Services Department's revenue performance, operating expenses, and capital project plans conducted by GRG and BC. We have reviewed recent assessments of the adequacy of Department planning to meet the requirements of the Federal Clean Water Act and related regulation and laws specific to the State of Alabama. Data sources reviewed during the course of the Study are listed in Appendix II.

Acting as an independent engineer, BC developed operating and capital expenditure projections by assessing the reasonableness of, and making adjustments to, expenditure forecasts used to develop the County's bankruptcy Plan of Adjustment. These assessments have been developed with certain assumptions and limitations, between August and October 2013, and were based on:

- site visits to the County's wastewater treatment facilities and a limited number of typical pump stations,
- reviews of permits and the County's wastewater Consent Order,
- communications with regulators, ESD staff and the County's legal counsel
- reviews of operating expense and capital project expenditure forecasts supporting the County's Plan of Adjustment prepared by the County and CH2M HILL⁵,
- Notes and data collected from CH2M HILL review and evaluation of expense projections that were developed during the receiver's tenure with the Department.

⁵ The projections of the County's operating expense and capital expenditure requirements incorporated in the County's Plan of Adjustment were based, in part, on a review conducted by CH2M HILL.

BC's work was generally limited to evaluating the "reasonableness" of certain projections arrived at by others. BC has performed its work in conformance with the degree of care and generally accepted standards and practices customarily utilized by similar engineering firms in effect at the time the work was performed, but does not expressly or impliedly warrant or guarantee its work and disclaims warranties or guaranties of any kind, direct or indirect, express or implied, in connection with its services.

Except as to the specific site observations and interviews with key employees to confirm certain information on a representational basis, BC has otherwise relied upon information provided by others (and extensive analysis already performed by others during previous evaluations) and, while it feels it was reasonable to do so, has not independently verified the validity, completeness, or accuracy of such information. In the event information or conditions are different than represented in that information, or differ at different locations or times, that could materially impact BC's opinions. As to future projections, BC acknowledges that future construction, operation, permit compliance, capital, and other related requirements and/or costs are subject to many influences including, but not limited to, general impacts of economic conditions, regulatory changes or decisions, price of labor and materials, unknown or latent conditions, unknown or unidentified operational conditions, as well as unanticipated or unknown future conditions and occurrences, or actions by third parties, which may vary, may not be precisely forecasted, are beyond BC's control, and could substantially impact projections or BC's opinions.

GRG financial evaluations have included the analysis of billing system data, updating of detailed revenue projecting models and refinement of the strategic financial planning model used to determine system rate revenue requirements. The strategic financial planning model projects all System cash flows employing adjustments to the County's proposed FY 2014 departmental operating budgets to reflect the County's exit from bankruptcy, projections of prospective operating and capital project expenses (funded from current revenues), and scheduled debt service and capital project funding as contemplated with issuance of the Series 2013 Sewer Warrants. The resulting financial plan, which is reported on herein, was developed to ensure compliance with covenants of the County's Indenture.

1.3 Firm Qualifications

Working collaboratively with BC, GRG produced this report for the County which relies upon detailed information provided by the Environmental Services Department.

GRG provides strategic financial and management consulting services to government agencies, public-private partnerships and special districts worldwide. GRG is the partnering of Galardi Consulting, LLC, established in 1996 – a certified Woman-Owned and Emerging Small Business Enterprise in the State of Oregon, Stanger Consulting, LLC established in 2012, and the Rothstein Group, LLC – established in 2007 and located in Chicago, IL and a Municipal Advisor registered with the Municipal Securities Rulemaking Board (MSRB).

GRG has prepared strategic financial plans, prepared Municipal Advisor reports, conducted cost-of-service rate studies, and participated in Consent Decree negotiations related to financial capabilities for numerous utilities throughout North America including Akron, OH; Halifax Regional Water Commission, Honolulu, HI; North East Ohio Regional Sewer District (Cleveland, OH); Salem, OR; St. Louis Metropolitan Sewerage District, MO; Tucson, AZ and Winnipeg, MB. GRG Principals have

been involved in the development of wastewater industry manuals of practice for financial planning and rate setting and authored numerous articles and presentations for industry professional societies and research organizations including the National Association of Clean Water Agencies (NACWA), Water Environment Federation (WEF), and Water Research Foundation (WRF).

GRG Principal, Eric Rothstein, has served as the County's sewer rate expert throughout the course of its bankruptcy, adoption of revised rates in November 2012 and September 2013, and approval of its bankruptcy Plan of Adjustment.

BC is a full-service, nationally recognized consulting firm with a long history of delivering innovative, economical solutions to environmental and engineering challenges. Founded in California in 1947, the company was first established as a wastewater engineering company and since has expanded over its 65-year history to include water, recycled water, stormwater, and environmental engineering. With more than 1,400 employees and a nationwide network of 50 offices, BC is one of the largest employee-owned consulting firms in the United States. BC is widely recognized as a company of excellence as demonstrated by the firm's rankings by Engineering News-Record (ENR). In 2012, ENR ranked the firm 26th among the Top 100 "Pure" Designers, 47th among the Top 500 Design Firms, and 10th among the Top 20 Design Firms in Sewer and Waste.

1.4 Bankruptcy Overview

On November 9, 2011 (the Filing Date), the County filed a bankruptcy petition under Chapter 9 of the United States Bankruptcy Code. The County's bankruptcy case is pending before the Honorable Thomas B. Bennett, Chief United States Bankruptcy Judge, in the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the Bankruptcy Court), as Case Number 11-05736-TBB (the Bankruptcy Case).

The County's decision to file for Chapter 9 was precipitated by, among other things, a series of unexpected events in the financial markets which caused a portion of the non-recourse debt obligations relating to the County-owned sanitary sewer system to mature on an accelerated basis and to increase markedly in cost. As of the Filing Date, the outstanding principal balance of the warrants issued by the County to finance its sewer system (the Refunded Sewer Warrants) exceeded \$3.1 billion. In addition, swap agreements associated with the Refunded Sewer Warrants did not perform as expected, resulting in the assertion of swap termination fees against the County in excess of \$700 million in the aggregate. As a result of the foregoing, the County was unable to satisfy its obligations with respect to the Refunded Sewer Warrants and the swap termination agreement claims. In the years preceding the Filing Date, the County tried to negotiate an out-of-court restructuring of the sewer system's debts, but was unable to reach a satisfactory agreement with its creditors. In 2010, at the request of the indenture trustee for the Refunded Sewer Warrants, an Alabama state court judge appointed a receiver to assume control over the assets and operations of the County's sanitary sewer system. The following year, the County filed for Chapter 9.

In an effort to conclude its Bankruptcy Case, the County filed its Chapter 9 Amended and Restated Plan of Adjustment for Jefferson County, Alabama dated July 29, 2013. Under the Plan of Adjustment, the County has agreed, among other things and upon certain conditions (including confirmation of the Plan of Adjustment by the Bankruptcy Court and the occurrence of its "Effective Date"), to issue the County's Series 2013 Warrants to redeem and retire the Refunded Sewer Warrants in a discounted amount.

A key aspect of the Plan of Adjustment is the County's adoption of a revised rate structure for fees and charges relating to usage of the System. On September 23, 2013, in accordance with the Plan of Adjustment and in connection with the anticipated issuance of the Warrants, the Commission adopted a resolution (the Rate Resolution) enacting such a revised rate structure (the Approved Rate Structure) for sewer system user charges (the User Charges). Under the Rate Resolution, the first increases in User Charges under the Approved Rate Structure shall become effective as of November 1, 2013. In addition to enacting the User Charges effective November 1, 2013, the Rate Resolution specifies the further increases in User Charges to be made by the County to fund the repayment of the Warrants, provided that the approval of such further increases is subject to the Plan of Adjustment being confirmed and becoming effective by January 1, 2014.

The Bankruptcy Court has not confirmed the Plan of Adjustment. The Bankruptcy Court has scheduled the hearing on the confirmation of the Plan of Adjustment to begin on November 12, 2013 (the Confirmation Hearing). If the Bankruptcy Court confirms the Plan of Adjustment, the Bankruptcy Court will enter the Confirmation Order confirming the Plan of Adjustment and approving the Approved Rate Structure.

1.5 Report Organization

This Report contains the following sections:

- **Credit Summary:** Provides an overview of initiatives that the County has implemented to establish a financially stable structure for future system development and service delivery. Prevailing risks are also highlighted as well as potential positive developments that could enhance projected financial performance.
- **Section 1 – Introduction:** Outlines the purpose and scope of the report, provides municipal advisor and consulting engineer's qualifications, and offers a limited summary of the System bankruptcy and Plan of Adjustment filed with the U.S. Bankruptcy Court.
- **Section 2 – Environmental Services Department (ESD):** Provides an overview of the County's governance of the Department and ratemaking and billing authority, billing partners and method of accounting, personnel management, the Department's organizational structure and functional areas, and FY 2014 budget.
- **Section 3 – Sewer System:** Describes the current Sewer system service area, collection and transmission system, pump stations, individual wastewater treatment plants (WWTPs) and biosolids management program. Wastewater treatment plant operational performance data for calendar year 2012 is also provided.
- **Section 4 – Permitting and Regulatory:** Provides a review of the permitting status of the System, the Consent Orders and other legal issues to which it is subject, and future regulatory issues for the System.
- **Section 5 - Operations and Maintenance Expenses:** Provides an overview of System components, staffing, the ESD budget, descriptions of budget categories and projected expenditures, and a summary of the 10-year operating expense projection (except incremental Information Technology expenses).
- **Section 6 - Capital Improvement Program:** Provides an overview of System capital expenditure categories, its Asset Management program, Capital Improvement Program (CIP) development

process, projected FY 2014 - FY 2023 CIP expenditures, project category descriptions, and a summary of capital project sources and uses of funding.

- **Section 7 – Information Technology Review:** Provides a review of ESD Information System responsibilities, IT assets, recently budgeted IT expenses, 10-year projections of incremental IT operating and capital expenses (per recommendations), billing cost considerations, and potential cyber security requirements.
- **Section 8 - Financial Evaluation:** provides historical rates and financial performance information, a description of the System’s fund structure and flow of funds, comparisons of System sewer bills with those of other major metropolitan areas, and a review of planned System capital financing. Historical and projected service revenue billing determinants are discussed as well as the associated revenue projections. Finally, this section provides projections of Operating Account revenues and expenses, and projections of debt service coverage and fund balances for the period FY 2013 through FY2023.
- **Appendix I - Rate Schedule**
- **Appendix II – Listing of Data Sources and References**
- **Appendix III – Billing Cost Considerations**

2.0 Environmental Services Department

2.1 Departmental Governance Structure

2.1.1 Jefferson County Commission

The County is governed by a five (5) member County Commission. Each of the five County Commissioners is elected from one of five geographical districts concurrently with the other members of the Commission. Each Commissioner serves as the chair of one of the County Commission's standing committees, which are identified as (1) Health Services and General Services, (2) Community Services and Roads and Transportation, (3) Finance and Information Technology, (4) Courts, Emergency Management, Land Planning and Development Services and (5) Administrative Services. All five Commissioners sit on each of the five standing committees. The standing committees exist to evaluate proposed items of County Commission business and to advance or decline to advance such items to the agenda for a County Commission meeting. Committees and their members have no operational responsibilities of the County—those executive responsibilities being expressly delegated to the County Manager under applicable state law.

The Commissioners elect one of their members to serve as President of the Commission at the beginning of each four-year Commission term. The President's duties include serving as presiding officer at all Commission meetings, executing all contracts and other agreements which require approval of the Commission and executing all checks and/or warrants on the Commission accounts.

The current County Commissioners are David Carrington, Sandra Little Brown, George Bowman, Joe Knight, and James "Jimmie" Stephens. Commissioner Carrington serves as the President of the Commission and chairs the Committee of Administrative Services. Commissioner Brown is President Pro Tempore of the Commission. All five Commissioners were elected in 2010 to serve four-year terms on the Commission.

2.1.2 County Management

2.1.2.1 County Manager / Chief Executive Officer

In August 2009, the Alabama Legislature passed Act 2009-662 and Act 2009-812, pursuant to which the Alabama Legislature directed the Commission to hire a County Manager to serve as the County's Chief Executive Officer.

On September 27, 2011, the Commission unanimously selected Tony Petelos to serve as the County's first County Manager. Mr. Petelos came to the position with extensive public service and management experience. From 2004 to 2011, Mr. Petelos had served as the Mayor of the City of Hoover, the County's second largest city and the sixth largest city in Alabama. Before that, he served in the Alabama House of Representatives from 1986 through 1997, where he also served as chair of the House's Jefferson County Delegation from 1990 to 1996. In 1997, Mr. Petelos was appointed by Governor Fob James as Commissioner of the Alabama Department of Human Resources after the department entered a federal consent decree. He was subsequently re-appointed by Governor Don Siegelman.

As County Manager, Mr. Petelos has day-to-day management authority for the County's operations, a responsibility that previously had been borne by the Commissioners themselves, on top of their legislative functions. Centralizing the executive functions of the County in the County Manager's office has resulted in substantial efficiencies and improvements in the County's operations. Mr. Petelos oversees the implementation of authorized projects and programs, assures appropriate coordination of departmental operations, analyzes and implements organizational changes to improve the efficient and economical operation of County government, and recommends policies and adopts procedures for the orderly conduct of the County's administrative affairs. Mr. Petelos' office also is charged with the County's budget planning and oversight process, which entails reviewing and evaluating budget estimates of all County departments, submitting an annual budget to the Commission for its review and approval, reviewing County revenues and expenditures throughout the year to insure budgetary control and to keep the Commission advised of the financial condition and needs of the County, implementing necessary and prudent fiscal controls, and providing recommendations as to supplemental appropriations and budget transfers which require Commission approval. Mr. Petelos (or Deputy County Manager Walter Jackson) attends all Commission meetings, where he may discuss any matter before the Commission, although he has no vote on Commission matters.

2.1.2.2. Chief Financial Officer

In July 2012, the Commission hired George Tablack as the County's Chief Financial Officer. Prior to joining the County, Mr. Tablack served as budget director and County administrator for Mahoning County in Ohio. As Chief Financial Officer, Mr. Tablack reports directly to the County Manager. The Chief Financial Officer has primary executive responsibility for the County's finance, revenue, purchasing, information technology and budget management offices.

2.1.2.3. County Attorney

Carol Sue Nelson serves as County Attorney for Jefferson County. The Commission approved her appointment in May 2013, and she assumed the role of County Attorney effective June 3, 2013. As County Attorney, Ms. Nelson reports directly to the Commission. She supervises a staff of three in-house attorneys and oversees the work of numerous outside law firms retained from time to time by the County. The County Attorney's office is responsible for representing and advising the County, its elected officials and appointed officers and department heads, including the Environmental Services Department.

2.1.2.4. Environmental Services Director

David Denard is the Director of the County's Environmental Services Department. In this capacity, Mr. Denard manages the day-to-day operations of the County's sanitary sewer system and is primarily responsible for long-range planning for the Department. He is also responsible for the management of approximately 390 County employees who work within the Environmental Services Department. Mr. Denard has been employed with the County since 1999, serving as Director of the Environmental Services Department since 2007. Mr. Denard reports directly to the County Manager.

2.1.3 County Governance and Management During the Chapter 9 Case

The County Commission, the County Manager, and other elected officials and appointed managers of the County have retained their governing and management responsibilities for the County throughout the County's Chapter 9 case. The Bankruptcy Code limits the authority of a bankruptcy court to

interfere with the County's operations during the course of Chapter 9 case. Section 904 of the Bankruptcy Code specifically provides that, "unless the debtor consents or the plan so provides, the court may not, by any stay, order, or decree, in the case or otherwise, interfere with (1) any of the political or governmental powers of the debtor; (2) any of the property or revenues of the debtor; or (3) the debtor's use or enjoyment of any income-producing property."

During the course of the County's Chapter 9 case, the County generally has not consented to the Bankruptcy Court's interference with the County's political or governmental powers, its property or revenues, or its use or enjoyment of its income-producing properties. However, in the County's Plan of Adjustment, the County does consent to the Bankruptcy Court exercising its jurisdiction and authority as necessary or appropriate to implement and enforce the terms of the Plan of Adjustment once it has been confirmed and become effective. To that end, Section 5.11 of the Plan of Adjustment states that "from and after the Effective Date, (a) the Confirmation Order shall constitute a consent decree binding upon, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan; (b) the validity and enforceability of the Approved Rate Structure and the Rate Resolution shall not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date; and (c) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the Approved Rate Structure and the Rate Resolution, to require the County to otherwise comply with the [Warrants] and the [Indenture], and to hear and adjudicate any action or proceeding enforcing, challenging, or collaterally attacking the Approved Rate Structure or the Rate Resolution." The Plan of Adjustment further provides that the Bankruptcy Court shall retain jurisdiction post-confirmation to, among other things, "adjudicate any and all controversies, suits, or issues that may arise regarding the validity of any actions taken by any Person pursuant to or in furtherance of the Plan of Adjustment, including implementation or enforcement of the Approved Rate Structure and issuance of the [Warrants] under the [Indenture], and enter any necessary or appropriate orders or relief (including mandamus) in connection with such adjudication...." Section 4.1 of the Plan of Adjustment provides the express consent of the County not only to the entry of the Confirmation Order, but also to the entry of further orders to as necessary or required to implement the Plan of Adjustment and related transactions.

2.1.4 Effect of Confirmation and Implementation of the Plan of Adjustment upon County Governance and Management Post-Confirmation

As indicated above, the Plan of Adjustment was drafted with the intent that the order of the Bankruptcy Court confirming the Plan of Adjustment and validating the Approved Rate Structure will be a final order of a federal court with preclusive effect that is fully enforceable by the Bankruptcy Court post-confirmation against all parties – including the County and the County Commission. Accordingly, if the County were to take action contrary to, or fail to take action required by, the terms of the confirmed Plan of Adjustment (including the Approved Rate Structure), creditors of the County may seek relief from the Bankruptcy Court to compel the County to comply with the terms of the confirmed Plan of Adjustment.

2.2 Billing, Collection and Rate-Making Authority

Sewer customers in the County are provided water service by the Birmingham Water Works Board ("BWVB") system, Bessemer Utilities ("Bessemer"), or smaller city-owned water systems. Sewer customers served by the BWVB and Bessemer are billed for sewer service on their monthly water

bills. The County's remaining sewer customers are billed by, and pay directly to, the County. Some industrial and commercial users are subject to a surcharge based on the strength of their contributed waste. The industrial waste surcharge program is administered by ESD.

Pursuant to the County Sewer Amendment, the governing body of the County has sole authority to set sewer rates and charges in the County and to provide for the collection, payment and enforcement thereof. In 1984, the Alabama Supreme Court confirmed the County's authority to set rates for sewer service, and held unconstitutional an attempt by the Alabama Legislature to limit that authority. Since the County rate making authority is constitutionally granted, it can only be changed by further constitutional amendment.

2.3 Billing Partners and Method of Accounting

As described above, the System has two billing partners in addition to its own billing operation. The BWWB and Bessemer provide billing services to over 93% (by volume) of the System's accounts. For accounts billed by the BWWB, the County has adopted an accrual method of revenue accounting. The BWWB accounts for approximately 86% of the System's annual usage. For Bessemer and the County-billed municipalities, revenues are accounted for as they are paid monthly, with limited adjustment at the end of the fiscal year for changes in accounts receivable. The County has adopted the BWWB accounts receivable control schedule for the purpose of accruing revenues billed by the BWWB. At the end of each fiscal year, the County also accrues an estimate of incurred, but unbilled, usage for BWWB accounts.

2.3.1 Charges and Adjustments

Monthly sewer charges reflect base charges, volume charges, and other usage and class-related billing determinants. Adjustments are then made to the recorded sewer charges, including private water meter credits, adjustments for leaks or usage anomalies, and adjustments for meter misreads. Other adjustments affecting monthly billed revenues include account charge-offs, returned check charges, application of customer overpayments, and final bill adjustments.

Private meters comprise a significant portion of the monthly adjustments made to sewer charges. Private meters are separate water meters installed on the customers' side of the primary billing meter. These secondary meters measure the amount of water usage that is not returned to the sewer system. Typically, private meters are installed for irrigation systems, outdoor fixtures and swimming pools. Residential customers who install a private meter are not entitled to the 15% residential credit. Customers with secondary (private) meters are charged a monthly sewer amount based on the primary meter reading. Not more often than quarterly, a customer with a private meter may submit the reading from the secondary meter for credit to their account.

2.4 Personnel Management

In FY 2011, ESD performed an assessment of staffing levels, operational effectiveness and core functions within each division. These were accomplished in a series of meetings and reviews with ESD senior staff, division supervisors and the receiver. Personnel from American Water were engaged to assess operations in the Village Creek WWTP, Valley Creek WWTP and WWTP maintenance divisions. Meetings and workshops were conducted with American Water and ESD personnel in December 2010 to develop optimum staffing levels at these facilities for core, direct operating functions only. American Water then reviewed ESD's implementation of recommendations

related to staffing at other WWTPs and development of maintenance management programs. American Water produced a draft report of their findings and recommendations dated January 31, 2011.

Based on the approach and findings of American Water and further analysis by ESD staff, ESD then produced a five-year personnel plan and largely implemented the plan through FY 2013. The Department's historical staffing levels from 2006 and results of implementation of the plan beginning in 2011 are provided in Table 2-1.

TABLE 2-1
Environmental Services Department Historical Staffing by Area: FY 2006 – FY 2013

| Functional Area | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 |
|-------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Administration | 49 | 52 | 54 | 61 | 58 | 57 | 57 | 54 |
| Collection System | 183 | 166 | 162 | 153 | 144 | 151 | 145 | 132 |
| Treatment | 282 | 286 | 284 | 280 | 255 | 248 | 217 | 206 |
| Total | 514 | 504 | 500 | 494 | 457 | 456 | 419 | 392 |

The County's hiring and termination decisions are subject to numerous state and federal laws, including, without limitation, the Americans with Disabilities Act, 42 U.S.C. § 12101 *et seq.*, the Fair Labor Standards Act, 29 U.S.C. § 201 *et seq.*, and the civil service and merit pay provisions of the Alabama Code, Ala. Code §§ 36-1-1, *et seq.*, including the oversight of the Personnel Board of Jefferson County (the "PBJC"). Moreover, pursuant to a consent decree dated December 29, 1982 (the "Hiring Practices Consent Decree") in that certain action styled United States, et al. v. Jefferson County, et al., Case No. 2:75-cv-00666-CLS pending before the United States District Court for the Northern District of Alabama (the "District Court"), the County presently is under a hiring freeze, meaning that hiring decisions are subject to the consent and approval of the District Court and other parties to the Hiring Practices Consent Decree. On August 20, 2013 the District Court found that the appointment of a receiver is warranted to ensure the County's compliance with the Hiring Practices Consent Decree. The County anticipates being able to manage personnel in accordance with ESD's personnel plan, but all hiring and termination practices will be subject to the oversight and approvals set forth above, which may, among other things, delay hiring and termination decisions, and affect the identification or selection of individuals qualified for certain employment positions.

2.5 Department Organization and Staffing Levels

ESD is managed within the County's organizational structure by an Environmental Services Director that operates under the direction of the County Manager. The Environmental Services Director is responsible for the strategic and day-to-day operations of the Department. The organizational structure, as shown in Figure 2-1, also includes a Deputy Director to assist in the Department's operation. ESD relies upon services from other departments in the County including Finance, Human Resources, Information Technology, and Legal.

ESD is organized into five functional areas that are subdivided into twenty-six budgetary divisions, primarily by function and location. These functional areas described in more detail below include: Impact, Planning and Plan Review; Engineering, Project Management, and Collection System Maintenance; Billing, Budget, and Human Resources; Treatment; and Regulatory Compliance. For FY 2014, the Environmental Services Department has a total of 376 filled and 441 budgeted positions. The ESD organizational structure is shown in Figure 2-1 and the breakdown of positions by division as of August 2013 is shown in Table 2-2.

FIGURE 2-1
Environmental Services Department Organization

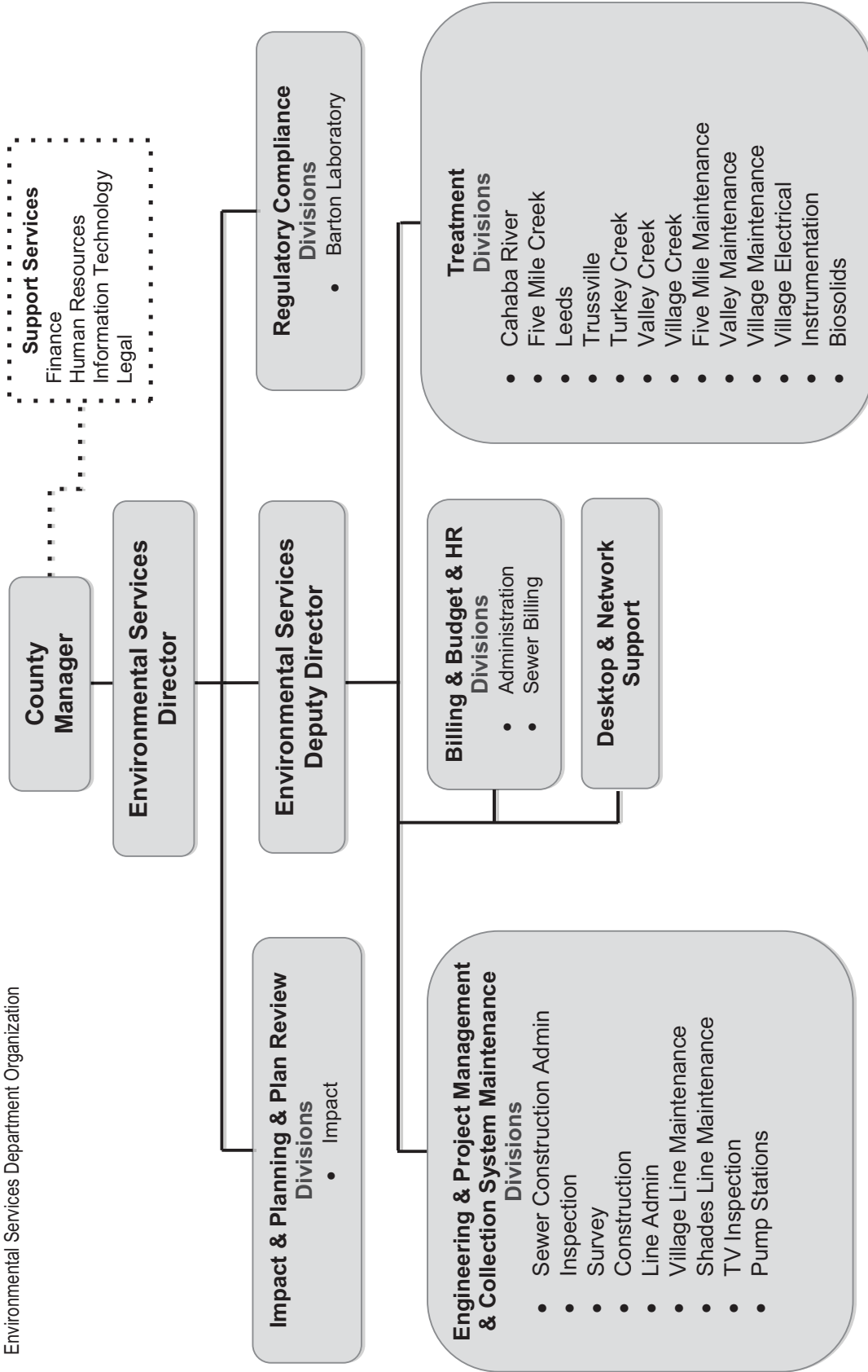


TABLE 2-2
Environmental Services Department Staffing – As of August 2013

| Budget Division | Division Number | Number of Employees | |
|--------------------------|-----------------|---------------------|------------|
| | | Filled | Budget |
| Sewer Billing | 6805 | 12 | 15 |
| Administration | 7100 | 24 | 30 |
| Impact | 7101 | 15 | 18 |
| Sewer Construction Admin | 7210 | 1 | 1 |
| Survey | 7212 | 10 | 10 |
| Inspection | 7214 | 16 | 17 |
| Construction | 7230 | 15 | 20 |
| Line Admin | 7250 | 8 | 10 |
| Village Line Maintenance | 7252 | 19 | 22 |
| Shades Line Maintenance | 7253 | 26 | 34 |
| TV Inspection | 7270 | 17 | 22 |
| Cahaba River | 7301 | 17 | 19 |
| Five Mile Creek | 7302 | 12 | 17 |
| Leeds | 7303 | 8 | 8 |
| Trussville | 7304 | 5 | 5 |
| Turkey Creek | 7305 | 6 | 6 |
| Valley Creek | 7306 | 40 | 46 |
| Village Creek | 7307 | 40 | 43 |
| Five Mile Maintenance | 7308 | 6 | 8 |
| Valley Maintenance | 7309 | 8 | 8 |
| Village Maintenance | 7310 | 8 | 8 |
| Village Electrical | 7311 | 8 | 10 |
| Instrumentation | 7312 | 7 | 7 |
| Pump Stations | 7313 | 15 | 22 |
| Biosolids | 7314 | 14 | 14 |
| Barton Laboratory | 7400 | 19 | 21 |
| TOTAL | | 376 | 441 |

2.5.1 Functional Areas

The **Impact, Planning and Plan Review area** includes the Impact Division consisting of 18 budgeted positions. This area reviews and approves private development work that affects the System and requires County approval. This includes assessing charges for new connections to the System and assuring that new connections can be properly served by the public system, and that privately constructed modifications to the public system adhere to the County's specifications.

The **Billing, Budgeting and HR area** reports to the Deputy Director and is responsible for the portion of the billing services performed by the County and assuring that billing services performed by others are timely and accurate. The Department's budget preparation and tracking as well as Human

Resource functions are handled in this area in coordination with other County Departments. This functional area includes the Administration and Sewer Billing divisions with 30 and 15 budgeted positions respectively. Also included under the Deputy Director are Desktop Computing and Network services.

The **Regulatory Compliance area** includes the administration of the County's industrial pretreatment program and the operations of the Barton Laboratory. This area includes 21 budget positions. This important area reports directly to the Department Director and is responsible for working with the other areas to assure that state and federal regulatory requirements are satisfied. The industrial pretreatment program places ESD in the position of being the local regulator with respect to Clean Water Act pretreatment requirements. This program is required to protect the County's treatment facilities from negative impacts from industrial and commercial discharges. The Barton Laboratory conducts thousands of analyses per year to assure the compliance of industries and the County's nine treatment facilities.

The **Engineering & Project Management & Collection System Maintenance** functional area is responsible for all construction, condition assessment and maintenance activities performed by ESD employees and contractors in the collection system. This area includes nine divisions that handle a variety of services such as construction (including administration and inspection), surveying, sewer cleaning and maintenance, sewer inspection and pump station operations and maintenance. The total budgeted positions for this functional area are 158.

As described in Section 4, the County's Consent Decree was concerned with Sanitary Sewer Overflows (SSOs) and bypasses within the collection system and at the treatment plants. This functional area is responsible for continuing to implement the County's efforts to achieve system performance that will result in the final termination of this enforcement action. Addressing collection system and pump station repairs and ongoing maintenance activities are essential to continuing to improve that performance. Additionally, the collection system area is also where the greatest customer impact occurs. Addressing sewer related problems, minimizing sewer construction impacts, and to the extent possible reducing basement backups are all essential to providing good customer service.

The operation of the County's nine treatment facilities and its biosolids program is the responsibility of the **Treatment** functional area. The area is separated into 12 divisions with a total of 199 budgeted positions. This includes the staff required to operate and maintain the treatment facilities. The County locates operating staffs at the various treatment plants to handle day-to-day operations. These staffs work shifts appropriate to the facility with larger plants staffed continuously and smaller plants staffed during day shifts and monitored remotely at night or weekends. The County performs light preventive maintenance with these operating staffs at each facility. Centralized mechanical, electrical and instrumentation staffs at the Village Creek, Valley Creek and Five Mile facilities provide higher level maintenance to all the treatment plants.

Each of the treatment facilities generate biosolids residuals in their plant processes. Treatment plant biosolids must be properly handled by the utility to comply with regulatory standards. The County operates two biosolids disposal sites on leased strip mine sites. These biosolids operations are included in the treatment functional area.

2.5.2 County Support Services

The County currently provides support services to ESD for finance, accounting, purchasing, payroll, budget management, legal services, human resources, right-of-way and fleet management. The costs allocated to the ESD for these services are based on a County-wide indirect cost allocation study and direct charges for parts and supplies.

2.6 Budget Process

The County operates on an October through September fiscal year with an annual budget approved by the Jefferson County Commission. The Department develops a budget each year reflective of the expected cost of facility operations, providing customer services, and meeting regulatory requirements.

The County is required by Alabama law to operate under a balanced budget. The Department typically pays for certain services provided by other County departments as discussed in the previous section. These costs are included in user fee revenue requirements that the County charges customers for services.

In the budgeting process, ESD management is expected to develop budgets for operations and maintenance needs that are then rolled up into a total departmental budget. The Department Director and Deputy Director review divisional budget requests for accuracy and appropriateness. Each division budget request is to be substantiated with appropriate documentation. The Department's senior management has initial responsibility to address divisional budget requests that exceed projected revenues such that Departmental budget requests are within prevailing financial constraints of the System. When necessary, budget requests will be amended to conform to the realities of the expected revenue.

The budget is reviewed with other County departmental requests by the County Manager and finance staff following approval and submittal by the ESD Director. When approved by the County Manager, the draft budget is presented in conjunction with those of other County Departments to the Jefferson County Commission for final approval. For selected reporting purposes and expense projections the Department's Operating Budget is organized by categories that include personnel, utilities, legal and professional, billing, indirect and direct costs, and other expenses. A summary of projected operating expenses by category in current dollar terms is provided in Section 5 and escalated operating expenses are incorporated into the Projected Sources and Uses of Funds reported in Section 8.

3.0 Sewer System

3.1 Overview and Legislative Authority

The sanitary sewer system of Jefferson County was created in the early 1900s to protect public health and allow the continued development of the Birmingham area. The sanitary sewer collection system serves twenty-three municipalities, unincorporated Jefferson County and small portions of Shelby and St. Clair Counties. The County's wastewater collection and treatment system consists of approximately 3,145 miles of sanitary sewer lines (3,057 miles gravity and 88 miles force main), 177 pump/lift stations, a septage receiving station, 80,621 manholes and 9 wastewater treatment plants (WWTP's). Table 3-1 shows a listing of County wastewater treatment plants (WWTP's) with corresponding collection system gravity and force main footage in linear feet (L.F.).

TABLE 3-1
Jefferson County Wastewater Treatment Plants and Collection Systems

| WWTP | NPDES # | Force Main Length (L.F.) | Gravity Main Length (L.F.) |
|-----------------|-----------|--------------------------|----------------------------|
| Cahaba River | AL0023027 | 62,483 | 1,806,086 |
| Five Mile Creek | AL0026913 | 49,777 | 2,228,407 |
| Leeds | AL0067067 | 23,118 | 249,361 |
| Prudes Creek | AL0056120 | 15,141 | 145,708 |
| Trussville | AL0022934 | 15,739 | 458,380 |
| Turkey Creek | AL0022926 | 4,515 | 578,887 |
| Valley Creek | AL0023655 | 240,133 | 7,250,014 |
| Village Creek | AL0023647 | 47,877 | 3,383,709 |
| Warrior | AL0050881 | 7,027 | 39,961 |
| TOTAL | | 465,810 | 16,140,513 |

Act No. 714 of the Alabama Legislature, enacted February 28, 1901, authorized the construction, maintenance and operation of a sewage disposal system (the "System") in Jefferson County by the Jefferson County Sanitary Commission, which Act No. 714 created. Act No. 716, also enacted February 28, 1901, provided for the issuance of bonds for sewer purposes and for the levy of a special ad valorem tax (the "Sewer Tax") for sewer purposes. On August 19, 1909, Act. No. 48 was enacted and transferred rights, duties and powers with respect to the System from the Jefferson County Sanitary Commission to the Board of Revenue of the County. Pursuant to these acts, municipalities in the County may construct their own sewage collection systems that connect to trunk or branch lines of the System. Private sewer systems, if any, can also be connected to the System with the permission of the County Commission. In addition to building trunk and branch lines, the

Commission is also authorized to locate and build wastewater treatment plants to carry out its legislative charge to protect the sources of drinking water supply from pollution.

Amendment No. 73 to the Alabama Constitution (the "County Sewer Amendment") empowers the County Commission to levy and collect sewer service charges from the users of the System. The County Sewer Amendment provides that the County Commission shall have a lien against any property served by the System to secure the payment of any related sewer service charges. Any such lien may be enforced by foreclosure in the same manner as municipal assessments for public improvements. Under the County Sewer Amendment, any moneys derived by the County from sewer service charges may be expended only for purposes related to the improvement, extension, maintenance and operation of the System (including the costs of financing thereof).

3.2 Sewer Accounts

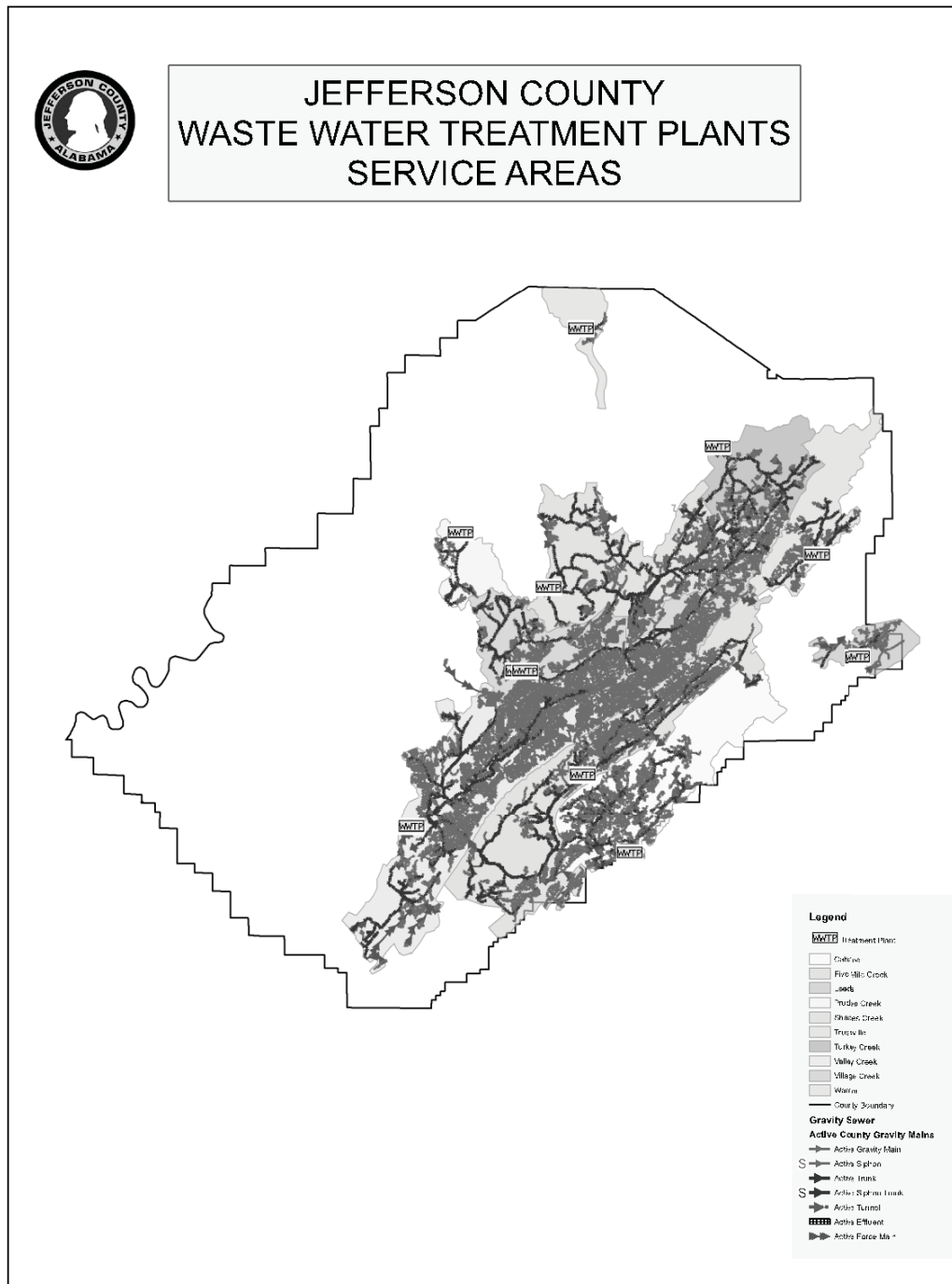
Based on 2012 billing system records, it is estimated that the sewer system serves approximately 142,000 residential and non-residential connections in Jefferson County. These users receive water service from the Birmingham, Bessemer, Trussville, Irondale, Leeds, Graysville, Warrior River and Mulga water utilities. Of these, the Birmingham and Bessemer systems, through contractual agreements, provide combined water and sewer billing, while the remaining systems are billed directly by the County for sewer service only. Of those accounts estimated to be billed in FY 2013, BWWB was estimated to bill 113,686 (80%), Bessemer billed an estimated 16,335 (11.5%) and Jefferson County billed 12,042 (8.5%) accounts.

Sewer users include approximately 128,000 residential accounts primarily including single-family homes and duplexes. The approximately 14,000 non-residential accounts include larger multi-family residences, retail, office, restaurant, hotel and industrial users. The total number of accounts has remained relatively stable over the past ten years. However, sewer accounts within the BWWB system have declined by approximately five percent over the period, while the remaining smaller systems have increased by about the same number of accounts.

3.3 Service Area

Located in the north-central part of Alabama, at the southern end of the Appalachian Mountains, the County lies within the Cumberland Plateau and Tennessee Valley and Ridge physiographic sections. The County's highest point (Shades Mountain) is at 1,150 feet. The Black Warrior and Cahaba rivers drain the County. Shades Creek, Little Shades Creek, and Patton Creek flow into the Cahaba River; Five Mile Creek, Turkey Creek, Valley Creek and Village Creek flow into the Black Warrior River. The Department's 440 square mile service area is characterized by gently rolling topography and, because of this, a large gravity sewer network is utilized to collect and transmit sewage. Pump stations transfer these flows to other pump stations and gravity mains and eventually to their respective treatment plants.

FIGURE 3-1
Sewer Service Area



3.4 Collection and Transmission System

There are a significant number of sewer pipe segments that traverse or are adjacent to critical areas such as railroad rights-of-way (ROW), U.S. highways (elevated and non-elevated), water recreational areas, and sensitive wetland areas. Among system components that require routine maintenance are 167 inverted siphons⁶ under streams, creeks, rivers, roads, railroads, and other surface conditions. These structures are problematic in terms of maintenance. Two full-time combination cleaner crews are required to maintain the siphons.

The area experiences an average annual precipitation rate of 54 inches and frequent high volume rainfall events that can overwhelm the collection system and result in wet weather SSOs. There are likely several contributing factors to these weather related SSO events, which account for approximately 20 to 25% of total System SSOs. ESD has developed a comprehensive flow-monitoring program, management of which is contracted to a private firm, that feature approximately 36 rain gauges and 141 flow monitors positioned strategically throughout the collection system.

3.5 Pump Stations

The County operates 177 pump stations located throughout the service area. These stations are monitored and maintained daily by the Pump Station Operation and Maintenance Division of the ESD and not permanently staffed. All stations located in the collection system are equipped with a Mission SCADA M110 unit, which collect hourly runtime, pump starts and provides alarms for malfunctions at the station. In addition, the Al Seier Road Pump Station and Prudes Creek #1 and #2 Pump Stations are operated and maintained by the Cahaba River WWTP and Five Mile Creek WWTP personnel of the ESD respectively, and are considered part of the treatment process. Table 3-2 summarizes the number of pump stations in each area. The Department has recently engaged a consultant to support and help implement its Asset Management Program. In keeping with the Department's focus on reducing SSOs, emphasis is being placed on rehabilitation of older pump stations.

TABLE 3-2
 Number of Pump Stations by Area

| Area | Number of Pump Stations |
|--------------------------------|-------------------------|
| Jefferson County Pump Stations | 82 |
| Hoover Pump Stations | 16 |
| Gardendale Pump Stations | 13 |
| Trussville Pump Stations | 4 |
| Graysville Pump Stations | 5 |
| Hueytown Pump Stations | 6 |
| Homewood Pump Station | 1 |
| Birmingham Pump Stations | 29 |

⁶ An inverted siphon is a segment of gravity sewer that drops below a stream or roadway and then rises up to allow flow to continue flowing through the System. Inverted siphons are prone to increased maintenance needs because they tend to trap debris in the depressed section of the sewer.

TABLE 3-2
Number of Pump Stations by Area

| Area | Number of Pump Stations |
|------------------------------|-------------------------|
| Tarrant Pump Station | 1 |
| Leeds Pump Stations | 7 |
| Bessemer Pump Stations | 5 |
| Vestavia Pump Stations | 4 |
| Warrior Pump Station | 1 |
| Pleasant Grove Pump Stations | 2 |
| Mountain Brook Pump Station | 1 |
| TOTAL | 177 |

3.6 Wastewater Treatment Facilities

The County ESD owns and operates nine (9) wastewater treatment plants (WWTP) and an Industrial Waste Pre-Treatment plant at various locations throughout the County. Treatment plant histories range from the early 1900s (Valley and Village Creek) to the mid-2000s. Each WWTP has gone through major upgrades over the years in order to improve the level of treatment and meet stringent regulatory standards. Currently, all WWTP's are tertiary treatment plants⁷ with several designed for or practicing nutrient (phosphorous) removal. All meet their individual treated wastewater discharge permit standards with a combination of biological (activated sludge) and physical/chemical treatment processes. All treatment plants are designed with sand filtration, with the exception of the older treatment train at Village Creek and the Turkey Creek WWTP. All plants are also designed to meet their bacteriological standards with UV (Ultraviolet) disinfection, with the exception of the older treatment train at Village Creek which does so through chlorine. The treated effluent water quality (visual) ranges from excellent to exceptional. Almost without exception, the Department is in compliance with all of its point-source NPDES permit requirements.

A few plants, specifically Village Creek WWTP, Valley Creek WWTP and Cahaba River WWTP have process tankage and equipment that have been idle for years and many of these assets are now either inoperable or requires some level of repair/refurbishment prior to being placed into service.

All plants, except the Warrior, Trussville and Prudes Creek facilities, have significant constructed wet weather storage capacity and all facilities have developed appropriate standard procedures for managing wet weather flows, including moving water between plants and using idle treatment process basins for added storage.

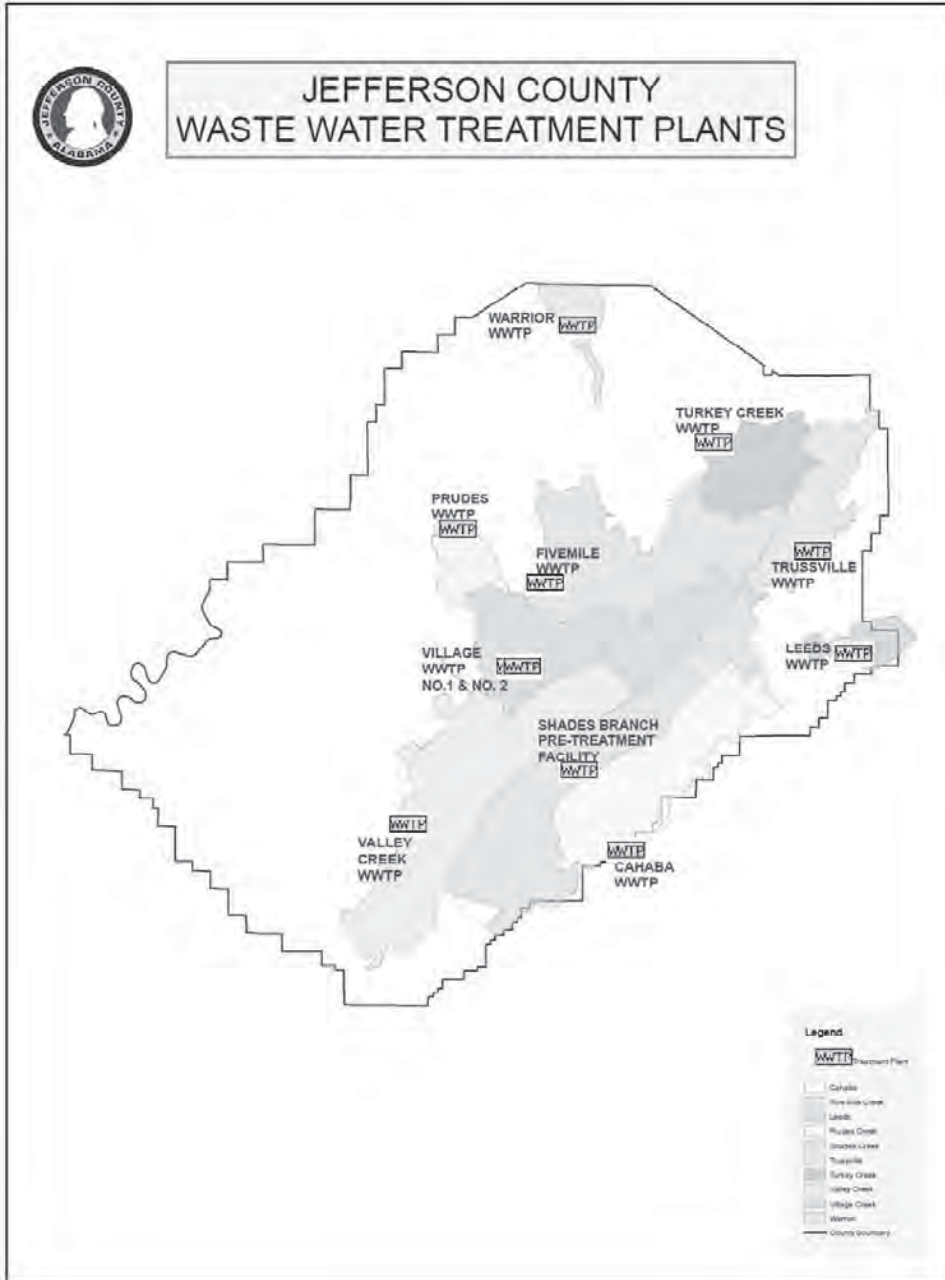
Generally, all are in good physical and operational condition, with the younger facilities incorporating the latest technology at the time of their construction. The Department has a balanced plan of equipment and systems capital repair for the age of these facilities, upgrade and replacement at all

⁷ Advanced cleaning of wastewater that goes beyond the secondary or biological stage, removing nutrients such as phosphorus, nitrogen, and most BOD and suspended solids.

of its treatment facilities, including the addition of or improvements to its remote monitoring and control (SCADA) systems, to improve reliability and control labor costs.

A review of the operational performance of each facility is provided in Table 3-3 at the close of this section. Figure 3-2 provides and the location of the nine wastewater treatment facilities in the service area.

FIGURE 3-2
Jefferson County Wastewater Treatment Plant Locations



3.6.1 Cahaba River WWTP

The Cahaba River Plant is located in Hoover downstream of the I-65 Bridge over the Cahaba River. The plant receives sewage flow from Hoover, Bluff Park, Vestavia, Rocky Ridge, Acton Valley, Cahaba Heights and a portion of Riverchase that is within Jefferson County. Built in 1984, the plant has an annual average daily design capacity of 12 MGD with a peak day flow capacity of 16 MGD. In 1993, the Patton Creek WWTP was removed from service and its flow was transferred to the Cahaba River WWTP. That same year, construction began to improve and increase the plant's peak flow treatment capabilities. These improvements along with the construction of the Al Seier Road Pump Station and Bluff Park Tunnel allowed the elimination of the Horse Farm and Hurricane Branch automatic bypasses.

Currently flow that enters the Cahaba WWTP via 18" and 36" force mains and 48" and 54" gravity sewers is lifted by the influent pump station. The influent flow receives preliminary treatment at the headworks through coarse bar screens followed by grit and grease removal. The facility has primary clarifiers available for primary treatment, however they are not currently online. Peak flows under 12 MGD are routed to the two, five-stage Bardenpho (biological nutrient removal carrousel) tanks for secondary treatment. The flow then enters into two final clarifiers. Flow can also be routed to two polishing clarifiers for additional clarification. After final clarification, the flow goes into advanced treatment processes through deep bed sand filters. Alum can be introduced into the feed box prior to the polishing clarifiers and at the coagulation and flocculation wells prior to filtration to enhance removal. Following advanced treatment, ultraviolet (UV) irradiation is used for disinfection purposes. The treated effluent flow receives cascade post aeration prior to discharge to the Cahaba River.

Peak flows over 12 MGD are routed to five peak flow aeration and sedimentation basins (20 MG total storage capacity). Peak flow is stored and reintroduced to the headworks as the peak flows subside. The peak storage basins are also used during dry weather to regulate flow to the biological process to maintain a steady flow due to the sensitivity of the process to wide variations in flow or loading. When the WWTP's storage and treatment capacity are exceeded, the direction of the flow in the Al Seier force main can be reversed and flow can be siphoned from the influent pump station to the Al Seier pump station.

Sludge handling at the Cahaba River WWTP consists of aerobic digestion, gravity thickening and sludge dewatering by belt filter presses. Dried solids are handled by the biosolids operations discussed in Section 3.6.12

The County, in anticipation of the proposed nutrient Total Maximum Daily Load (TMDL) for the Cahaba River Watershed discussed in Section 4.4 has upgraded and improved the treatment capabilities of the Cahaba River WWTP including recent upgrades for nutrient removal at a cost of approximately 55 million dollars. A project is designed and in the process of bidding for additional improvements to enhance the WWTP's capabilities to comply with the Phase I TMDL limits of 0.4 mg/l total phosphorous (TP) which will be in effect on April 1, 2014. This project will include improvements to the alum feed and conveyance system, replacement of slide gate operators at the headworks structure, and installation of submersible mixers in the oxidation ditches. The project includes the addition of a variable frequency drive to one of the pumps and the structural improvements to the discharge piping at the Al Seier Pump Station.

Designs are substantially complete for improvements intended to ensure compliance with the Phase II TMDL limitation of 0.2 mg/l TP effective April 1, 2016 as well as other long-term regulatory compliance needs. As designed, those improvements include a new ferric chloride system, a polymer system, influent screening conveyance modifications, grit removal system conversion, various wet weather management improvements, oxidation ditch aerator Variable Frequency Drives (VFD), second anoxic zone air diffusers, blower and yard piping modifications, conversion of the polishing clarifiers to a second parallel set of final clarifiers, aerobic digester modifications, a new sludge pump station and discharge piping, generator fuel storage, and associated electrical improvements.

Substantial process modifications and additions will be needed to ensure compliance with the final Phase III TMDL limitation of 0.043 mg/l TP effective April 1, 2022. Studies and designs have not yet been initiated for this work. The Cahaba River Plant is staffed 24 hours per day, seven days a week. The plant is well maintained by operations staff and is in good condition.

3.6.2 Five Mile Creek WWTP

The Five Mile Creek Plant located in Lower Coalburg receives sewage from Tarrant City, Inglenook, Lewisburg, Roebuck, Center Point, Grayson Valley, the southern end of Pinson Valley, Fultondale and Southern Gardendale. This facility was placed into operation in 1978 with a 10 MGD capacity. It replaced the Boyles Treatment Plant located in Tarrant. Since then, the plant has undergone major revisions and in 1991 was expanded to become a 20 MGD activated sludge plant with a 40 MGD peak hydraulic capacity. In 1999, the County installed improvements identified in the Five Mile Creek Waste Treatment System Capital Improvement Plan that called for flow-monitoring and automatic sampling facilities at the discharge from the aerated peak flow handling facilities. This work was completed in advance of the Consent Decree's April 1, 2000 construction completion deadline. The Tarrant Springs and the Barton Branch automatic bypasses were removed in 2000 sending all wastewater flows to the plant. In December 2008, construction was substantially completed to increase the average daily treatment capacity of the plant from 20 MGD to 30 MGD and increase the peak flow treatment capacity from 40 MGD to 50 MGD.⁸

Wastewater enters the facility via 72" gravity line. Influent flows under 50 MGD receive preliminary treatment through mechanically aerated grit chambers. The flow is then pumped into six aeration basins, followed by secondary clarifiers. Following the activated sludge processes, the facility includes eight sand filters to enhance the removal efficiency. Disinfection at the plant is provided with UV light irradiation prior to discharge through outfall into Five Mile Creek. Extended peak flows and flows over 50 MGD are directed to the Peak Flow Aeration and Sedimentation tanks. Flow from the peak flow tanks is stored and pumped to the aeration basins as the peak flows subside.

Sludge handling consists of aerobic digestion, thickeners and sludge drying beds. Dried solids are handled by the biosolids operations discussed in Section 3.6.12.

Plant employees staff the Five Mile Creek Plant 24 hours per day, seven days a week. The plant is overall in good condition.

Additional work will be required to address functional and maintenance issues with the screening conveyance system.

⁸ The planned peak flow capacity of 70 MGD cannot be reached due to design errors such that the actual peak flow capacity is limited at 50 MGD.

3.6.3 Leeds WWTP

The Leeds Plant is located in the City of Leeds off Montevallo/Cahaba Valley Road. The plant receives sewage flow from the City of Leeds, including small parts of St. Clair and Shelby Counties. The construction of the Leeds WWTP at its current location began in November 1993. The facility began discharging April 20, 1995. The plant's average daily treatment capacity was increased to 2.0 MGD and it has peak daily design capacity of 10 MGD.

Flow enters the Leeds WWTP via a 30" gravity sewer. The influent flow receives preliminary treatment through coarse bar screens followed by in-channel grinders. Influent flow is lifted by the influent pump station and travels through a grit tank where large solids are removed by the grit classifier. Flows under 3 MGD are pumped to one aeration basin for biological treatment. The second aeration basin functions as redundant process equipment that is rotated into service for maintenance of the other clarifier, and can be used for storage of peak flows. Alum or ferric chloride is introduced into the lead box prior to the final clarifiers to enhance nutrient removal. The flow then receives final clarification through the two final clarifiers. Advanced treatment is provided through traveling bridge sand filters before disinfection via UV irradiation. The flow then receives cascade post aeration prior to discharge to the Little Cahaba River.

Peak flows over 3 MGD are routed to one or both of the peak flow aeration and sedimentation basins (5 MG total storage capacity). Flow from the peak flow aeration and sedimentation basin is stored and reintroduced to the influent pump station wet well as the peak flows subside.

Waste activated sludge from the process is stabilized in aerobic digesters and dewatered in sludge drying beds. Final biosolids produced are sent to a land application site.

The plant is in generally good condition and has been maintained well. Due to the nearly 20-year age of the electrical and mechanical equipment and systems, some are reaching the end of their useful life. Additionally, the replacement of the UV disinfection system will be required in the near future.

3.6.4 Prudes Creek WWTP

The Prudes Creek Plant serves the Cities of Graysville and Adamsville. The former plant was a 600,000 gallon average daily design capacity facility that was originally constructed in 1986. From April 1997 to June 1999, a project was completed that addressed improvements identified in the Initial Waste Treatment System Capital Improvement Plan for the Prudes WWTP. Additional upgrades in the plant were substantially completed in January 2006 and currently the plant has a 0.9 MGD average daily design flow capacity and a daily peak flow capacity of 3.5 MGD.

Flow enters the Prudes Creek WWTP from two pump stations within the facility. Pump Station No. 1 receives flow via a 20" gravity sewer and Pump Station No. 2 receives flow from a 16" gravity sewer. The influent wastewater is pumped to the headworks where it receives preliminary treatment through in-channel grinders. The flow travels through the grit tank and the grit classifier removes large solids. Influent screw pumps lift the flow. The flow is split between three aeration basins for biological treatment that are followed by three final clarifiers. The flow receives advanced treatment through deep bed sand filters and disinfection from ultra-violet irradiation. The flow receives cascade post aeration prior to discharge to Five Mile Creek.

Solids removed from final clarifiers are pumped into the sludge thickener with dewatering on sand drying beds. The final biosolids produced are sent to a land application site.

The facility is in good condition. The plant is staffed one shift per weekday. During off shift periods and weekends it is controlled and operated from the Five Mile Creek WWTP via a SCADA system.

3.6.5 Trussville WWTP

The Trussville WWTP is located in the City of Trussville behind the City Hall and receives flow from the City of Trussville and an area along U. S. Highway 11 between Trussville and I-459. The Trussville WWTP, upgraded in 1998, has a permitted capacity of 4.0 MGD. The facility is designed to treat a peak flow of 8.0 MGD.

Influent wastewater enters the Trussville WWTP and is lifted by the influent pump station. The flow receives grit removal before it is equalized between the three identical carousel type aeration basins. Two final clarifiers provide settling of activated sludge solids following aeration. The flow then receives tertiary treatment through sand filtration prior to disinfection by UV irradiation and discharge to the Cahaba River.

Solids are removed from the final clarifiers and aerobically digested before being gravity thickened. The thickened sludge is pumped to covered drying beds; dried biosolids are hauled to the County's land application site.

The plant has an extensive chemical addition system provided for phosphorus removal. The facility has to comply with the Phase I TMDL limits of 0.4 mg/L TP concentration by April 2014 and compliance with a TP limit of 0.2 mg/L by April 2016. The Alabama Department of Environmental Management (ADEM) is imposing a final TMDL (TP limit of 0.043 mg/L) compliance date of April 1, 2022. Details of the regulatory and compliance issues are discussed in Section 4.

Designs are complete and in the process of bidding/award for improvements to enhance the WWTP's capabilities to comply with upcoming regulations. The improvements will include replacement of the alum feed system and addition of a new UV disinfection system designed for a 17 MGD peak hour flow. Designs are substantially complete for improvements intended to ensure compliance with the Phase II TMDL limitation of 0.2 mg/l TP and other long-term regulatory compliance needs. As designed, those improvements include adding an influent mechanical band screen, screenings washer-compactor, two new influent pumps with VFDs, wet-well modifications, new chemical feed equipment, two additional traveling bridge sand filters, control system improvements, new mechanical dewatering process equipment and electrical improvements. When completed, the peak hydraulic capacity of the WWTP will be increased to 17 MGD.

Substantial process modifications and additions will be needed to ensure compliance with the final Phase III TMDL limitation of 0.043 mg/l TP effective April 1, 2022. Studies and designs have not yet been initiated for this work.

Due to the nearly 20-year age of the electrical and mechanical equipment and systems, some are reaching the end of their useful life.

The plant is in good condition. It is staffed eight hours per day, seven days a week.

3.6.6 Turkey Creek WWTP

The Turkey Creek WWTP is located in Pinson just off The Narrows Road. The plant receives sewage flow from Pinson, Clay, the Sweeney Hollow Road area, and northern Center Point. A former plant was originally constructed on the site in 1970 and had a 4 MGD average daily flow capacity. The

facility then underwent upgrades in the 1970s, 80s and 90s, and was decommissioned April 1, 2004 when the existing plant became operational. Currently, the plant is permitted for 5.0 MGD, designed for a 10.0 MGD average daily flow and has a peak hydraulic capacity of 25 MGD.

Flow enters the Turkey Creek WWTP via a 48" gravity sewer. The influent flow receives preliminary treatment through coarse climber screens followed by a vortex type grit removal system. Flows under 10 MGD are lifted by screw pumps and feed into an aeration basin. The second aeration basin functions as redundant process equipment that is rotated into service for maintenance. The flow then receives final clarification from some combination of the four final clarifiers. Disinfection is provided by UV irradiation. Disinfected flow then receives cascade post aeration prior to discharge to Turkey Creek.

Peaks flows over 10 and up to 25 MGD are routed to the four peak flow primary clarifiers and then to the peak flow aeration and sedimentation basins that have 14 MG total capacity. Flow from the peak flow aeration and sedimentation basin is stored and reintroduced at the aeration basins as the peak flows subside.

Sludge handling consists of aerobic digesters followed by sludge drying beds. Dried solids are handled by the biosolids operations discussed in Section 3.6.12.

The facility has been recently upgraded and is in good condition. It is staffed eight hours per day, seven days a week.

3.6.7 Valley Creek WWTP

The Valley Creek Plant is located in West Bessemer near the intersection of Johns Road and Powder Plant Road. The plant receives sewage flow from the Central Park – Fairgrounds area, Fairfield, Midfield, Powderly, Roosevelt City, Brighton, Lipscomb, Bessemer, Hueytown, Pleasant Grove, Dolomite, Garywood, Wylam and McCalla areas. The Valley Creek Plant also receives all the flow from the Shades Valley basin including Irondale, Mountain Brook, Homewood and portions of Birmingham south of Red Mountain. The treatment capacity of the facility was expanded to an average day design flow of 85 MGD and a peak biologic treatment capacity of 170 MGD with an additional 110 MG of storage volume for peak flow equalization. The facility was constructed with a significantly higher capacity for influent pumping and UV disinfection (600 MGD) for the potential to blend screened and settled peak flows with biologically treated effluent prior to disinfection and discharge. Construction of recent upgrades began in 1996 and continued until completion in 2005 and 2006.

Influent flow up to 170 MGD enters the facility through a 102" gravity sewer and receives preliminary treatment through the headworks that includes fine screening, grit and grease removal, and pre-aeration processes. Flow less than 85 MGD can receive either single stage or two stage activated sludge treatment. Flow between 85 and 170 MGD can receive only single stage biological treatment. In single stage mode, flow up to 85 MGD receives primary treatment through primary clarification. The primary effluent is routed to second stage aeration followed by final clarification. Any remaining flow greater than 85 MGD and less than 170 MGD is directed from the influent parshall plume to first stage aeration and then to intermediate clarifiers. This single stage process can be run with one system in operation or with both systems operated in parallel. When operated in parallel, the hydraulic capacity of the plant doubles from 85 MGD to 170 MGD. In two-stage treatment, the primary effluent travels to the first and the second stage processes in series and is functional when flows are less than 85 MGD. The intermediate and final clarifier effluents can receive tertiary

treatment through deep bed sand filtration or be routed around the process. All flow receives disinfection through UV irradiation and cascade post aeration prior to discharge into Valley Creek.

Influent flow over 170 MGD enters through 102" gravity sewer and spills over a weir within an offsite upstream flow control box and is directed to the influent pump station via a 120" gravity sewer. The pumped influent receives primary treatment through mechanical screens and discharges into 110 MG aerated peak flow holding basin. As incoming flow decreases, sewage detained in the basin is drained back to the influent pump station when it is pumped back to the headworks and receives treatment as described above. If the peak hydraulic capacity of the biological plant and the storage capacity of the aerated peak flow basins are exceeded, the basin includes weir baffles to capture floatables and is designed for low surface overflow rates to maximize sedimentation. The flow that overflows would be directed to the deep bed filters, the effluent pump station, ultraviolet disinfection and finally cascade post aeration before entering Valley Creek. If the peak flow basin overflow rate exceeds 170 MGD capacity of the sand filters, the remaining peak flow basin effluent and the biologically treated flow would be routed around the filters to UV disinfection and cascade aeration before entering the Valley Creek.

Primary sludge, first stage waste activated sludge and second stage waste activated sludge is gravity thickened and treated in anaerobic digesters. After digestion, the biosolids are pumped to belt filter presses for dewatering. Ultimate disposal occurs at beneficial land application sites.

Although recent upgrades provided capacity in many ways by increasing the number of unit processes, not all equipment and structures were newly constructed. Many clarifiers, aeration basins, digesters, and associated systems constructed in the 1970s, 80s, and 90s remain. Standby emergency generator equipment and substantial electrical distribution upgrades were provided during the last upgrades.

The facility currently receives significantly lower flows and loads compared to design values and, as a consequence, experiences some operational inefficiencies. Due to low flows, many pieces of major equipment (such as pumps, disinfection units), especially those located at the influent and effluent end of the process units that were designed for 600 MGD, are not in service.

The older facilities are in fair to average condition; the newer facilities are in very good condition. This plant is staffed 24 hours per day, seven days a week.

3.6.8 Village Creek WWTP

The Village Creek Plant is located in Pratt City and receives sewage flow from most of the downtown Birmingham area, including Southside, West End, Avondale, Woodlawn, East Lake, Huffman, North Birmingham, Ensley, Pratt City, Forestdale and Hooper City. The Village Creek WWTP was one of the original County treatment plants constructed in 1905. The plant was upgraded and expanded several times prior to the work undertaken in conjunction with the Consent Decree. Prior to the most recent upgrades, the plant was a two-stage activated sludge treatment facility with an average daily design flow of 60 MGD and a peak hydraulic capacity of 60 MGD (old plant). Through the Consent Decree work, another liquid treatment plant was constructed on adjacent property (new plant). Improvements to the old plant consisted primarily of odor control additions and solids processing. Little to no work was performed upgrading or replacing aged equipment. The old and new facilities share the same solids treatment process. The Consent Decree work began in 1997 and continued until completion in 2003.

The flow primarily comes into the old plant through a 120" gravity sewer line. The liquid treatment portion of the old plant consists of mechanical bar screens, grit and grease removal basins, pre-aeration basins, followed by eight primary clarifiers. Biological treatment is achieved by two-stage activated sludge treatment with intermediate clarification and pump station and final clarifiers. The old facility uses chlorine for disinfection purposes and sulfur dioxide for de-chlorination. It also includes an optional peak river flow effluent pump station.

The solids produced at the old facility are treated through gravity thickeners, followed by two-stage anaerobic digestion for stabilization. Stabilized solids are then either mechanically dewatered in centrifuges or sent to drying beds.

The new treatment plant receives flow through a 132" tunnel from the 120" gravity sewer line that comes into the old treatment plant. The new plant was designed for an average day design flow of 60 MGD. The plant has a peak biologic treatment capacity of 100 MGD, and there is an additional 90 MG of storage volume for peak flow equalization. The facility was constructed with a significantly higher capacity for influent pumping and UV disinfection (420 MGD) for the potential to blend screened and settled peak flows with biologically treated effluent prior to disinfection and discharge.

The new plant includes mechanical bar screens, an influent pump station, grit and grease removal basins, pre-aeration basins, activated sludge treatment, final clarifiers, deep-bed sand filtration, and UV disinfection.

The solids treatment consists of only gravity thickeners. Thickened sludge is transferred to the old treatment plant for further treatment.

The solids treatment and processing facilities at the old facility were expanded and modified through the Consent Decree work. The processes include gravity thickeners, aerobic digesters, two-stage anaerobic digesters, elutriation tanks, thickening and dewatering centrifuges, lime stabilization, and covered and uncovered drying beds.

The old facility will need major improvements since most of the equipment is reaching the end of its service life. Other work still incomplete at the site includes repairs resulting from the April 2011 F-5 tornado that destroyed several structures and damaged other equipment and buildings. All critical processes have been repaired. Building damage that if left unrepaired would negatively affect the structure is under contract and nearly complete. Non-critical structures destroyed and damaged, such as the drying beds and the material storage building, have not been rebuilt.

The older facilities are in fair to average condition; the newer facilities are in very good condition. The Village Creek WWTP is staffed 24 hours per day, seven days a week.

3.6.9 Warrior WWTP

The Warrior Plant is located to the west of the City of Warrior. The former plant was a 0.1 MGD average daily design capacity facility that was constructed in 1987, modified in 1996, and decommissioned on July 31, 2006, when a new plant became operational. Currently the plant is permitted for 0.1 MGD average daily flow though it is designed for a 0.2 MGD average daily flow and has a peak hydraulic capacity of 0.5 MGD.

Flow enters the Warrior WWTP via a 12" gravity sewer. The influent flow receives preliminary treatment through in-channel grinders. Flow is pumped to one aeration basin for biological

treatment. The second aeration basin functions as redundant process equipment that is rotated into service for maintenance and can be used for storage of peak flows. After aeration basins, the flow then enters into two final clarifiers for final clarification. Advanced treatment is provided through travelling bridge sand filters. The flow then receives disinfection from ultraviolet irradiation prior to cascade aeration and discharge to Cane Creek.

Solids produced in this facility are stabilized in two aerobic digesters and dewatered in covered sand drying beds before being hauled to the Flat Top biosolids site.

The plant was built recently and is in very good condition.

3.6.10 Scott's Branch Pretreatment Facility

The Scott's Branch Pretreatment facility is located on the site of the original Shades Valley treatment plant that was originally constructed in 1928. The facility ceased discharging in 1985 and currently serves as a 0.5 MGD pretreatment facility reducing high strength wastewater from upstream industries. The plant discharges into the Shades Valley Transfer Sewer that conveys flows to the Valley Creek WWTP. The pretreatment facility consists of a 3.75 MGD influent pump station, three vertical loop reactors, and two clarifiers.

An engineering analysis was completed in March 2010 using InfoSWMM modeling that confirmed the need for the pretreatment facility to remain in operation to lessen the rate of corrosion within the downstream Shades Valley Transfer Sewer thereby maximizing the life of the sewer. The most deteriorated portions of the sewer were rehabilitated in 2012 as a result of the findings of the engineering analysis and sewer investigations.

3.6.11 Barton Laboratory

The Barton Laboratory is responsible for consolidated laboratory services and compliance monitoring for all WWTPs. These services include testing effluent discharge samples for compliance with applicable water quality regulations, and strength sampling of influent.

3.6.12 Biosolids Program

The Biosolids Division is responsible for land application and solids management for all WWTPs. The County disposes of biosolids resulting from the treatment processes at all of its facilities through a program of land application. Biosolids are periodically applied at the Flattop and Beltona Land Reclamation sites. These sites are former strip mining locations that are being reclaimed.

3.7 WWTP Operational Performance

A review of operation performance at each WWTP was performed based on Monthly Operating Reports (MOR) from 2012. A summary of current permit requirements and operational performance for each WWTP is provided on Table 3-3. Based on the information provided, all facilities were operating within permit limits for most parameters. There were only two exceedances, both in Effluent E. Coli values during summer time. On July 2, 2012, the Leeds WWTP exceeded its permit limit; on May 18, 2012, a daily maximum E. Coli value recorded at the Trussville WWTP was higher than its permit limit. Both of these permit excursions are considered to be relatively minor events indicative of generally high quality treatment plant performance and the adequacy of facilities and staff to meet permit requirements.

TABLE 3-3
Wastewater Treatment Plant Operational Performance Summary – CY 2012
Based on 2012 Monthly Operating Reports

| | Wastewater Treatment Plant: | Cahaba | Five Mile Creek | Leeds | Prudes Creek | Trussville | Turkey Creek | Valley Creek | Village Creek -I | Village Creek-II | Warrior |
|--|-----------------------------|------------------------------------|-------------------------------|-------------------------------|------------------------------|------------------------------------|--|------------------------------|--------------------------|--------------------------|-------------------------------|
| Permitted Capacity (MGD) - annual average | | 12 | 30 | 2.0 | 0.9 | 4.0 | 5.0 | 85 | 60 | 60 | 0.1 |
| Flow (MGD) - daily max | Permit | report | report | report | report | report | report | report | report | report | report |
| | Actual | 15.7 | 31.3 | 4.3 | 1.6 | 7.0 | 12.2 | 131.3 | 48.5 | 77.2 | 0.3 |
| Effluent Total Suspended Solids (mg/L) - weekly average | Permit | 45 | 45 | 36 | 45 | 45 | 36 | 36 | 36 | 36 | 36 |
| | Actual | 1.5 | 3.0 | 1.3 | 5.0 | 2.5 | 13.6 | 14.4 | 4.0 | 1.5 | 7.4 |
| Effluent Ammonia (as N, mg/L) - weekly average | Permit | 1.5 (summer) 3.0 (winter) | 3.0 (summer) 3.75 (winter) | 3.0 (summer) 4.5 (winter) | 3.75 (summer) 15 (winter) | 1.5 | 3.7 (summer) 7.5 (winter) | 1.5 | 1.5 | 1.5 | 1.8 (summer) 3.1 (winter) |
| | Actual | 0.018 | 0.198 | 3.067 | 0.283 | 1.000 | 0.033 | 1.188 | 0.172 | 0.540 | 0.105 |
| Effluent TKN (as N, mg/L) - weekly average | Permit | 3.0 (summer) 6.0 (winter) | 6.0 (summer) 7.5 (winter) | 6.0 (summer) 12.0 (winter) | 7.5 (summer) 30 (winter) | 3.0 (summer) 4.5 (winter) | report | 4.5 (summer) 6.0 (winter) | report | report | report |
| | Actual | 0.52 | 1.00 | 4.91 | 0.88 | 1.37 | 0.79 | 2.52 | 1.50 | 0.73 | 0.95 |
| Effluent Total Phosphorus (as P, mg/L) - monthly average | Permit | 1.9 (Growing season April-October) | report | 1.0 | report | 3.3 (Growing Season April-October) | 32.4 lbs/d (summer) report (winter) | report | report | report | report |
| | Actual | 1.6 | 1.6 | 0.7 | 2.30 | NA | 29.4 lbs/d (summer) | 2.30 | 2.20 | 2.90 | 3.70 |
| Effluent E. Coli (#/100 mL) - daily max | Permit | 487 (summer) 2507 (winter) | NA | 487 (summer) 2507 (winter) | NA | 487 (summer) 2507 (winter) | 487 (summer) 2507 (winter) | 2507 | 2507 | 2507 | 487 (summer) 2507 (winter) |
| | Actual | 440 | NA | 921 | NA | 540 | 34 | 1120 | 2000 | 850 | 6 |
| Effluent Fecal Coliform (#/100 mL) - daily max | Permit | NA | 2000 | NA | 2000 | NA | NA | NA | NA | NA | NA |
| | Actual | NA | 560 | NA | 14 | NA | NA | NA | NA | NA | NA |
| Carbonaceous BOD (mg/L) - weekly average | Permit | 6 (summer) 15 (winter) | 9.0 (summer) 10.5 (winter) | 6 (summer) 15 (winter) | 12 (summer) 37.5 (winter) | 4.5 (summer) 15 (winter) | 30 | 12 | 6 (summer) 9 (winter) | 6 (summer) 9 (winter) | 27 (summer) 37.5 (winter) |
| | Actual | 1.2 | 3.7 | 2.1 | 2.1 | 1.8 | 2.1 | 2.6 | 1.5 | 1.8 | 4.0 |

4.0 Permitting and Regulatory Issues

4.1 Overview

As described in Section 3, the County operates an extensive wastewater system that consists of nine wastewater treatment plants and their associated separate sanitary sewage collection systems. The operation of the System is regulated under the Federal Water Pollution Control Act (Clean Water Act) and the regulations and laws specific to the State of Alabama. The state of Alabama is delegated by EPA to administer the National Pollutant Discharge Elimination System (NPDES) on behalf of EPA. This includes the issuance of operating permits for the County's wastewater treatment plants and collection systems. Although this program is delegated, EPA still plays a significant role in the NPDES program.

4.2 Permitting Status – Wastewater System

4.2.1 Treatment Plants

As previously described, the County operates nine wastewater treatment facilities ranging in dry weather capacity from 0.1 to 120 MGD. Each of these facilities is in compliance with the requirements of its NPDES permit. Table 4-1 provides the NPDES permit number and expiration dates for each of the County's treatment facilities. Under the NPDES program, it is possible that the requirements of these permits could be modified before their expiration date. However, such modifications are unusual and it is reasonable to assume that the current treatment plant standards will remain in place until at least the expiration dates shown.

TABLE 4-1
WWTP NPDES Permit Information

| WWTP Name | NPDES Permit # | Permit Expiration Date | Receiving Stream |
|-----------------|----------------|------------------------|---------------------|
| Cahaba River | AL0023027 | November 30, 2017 | Cahaba River |
| Five Mile Creek | AL0026913 | February 28, 2014 | Five Mile Creek |
| Leeds | AL0067067 | June 30, 2016 | Little Cahaba River |
| Prudes | AL0056120 | March 31, 2014 | Five Mile Creek |
| Trussville | AL0022934 | November 30, 2017 | Cahaba River |
| Turkey Creek | AL0022926 | February 28, 2015 | Turkey Creek |
| Valley Creek | AL0023655 | October 31, 2016 | Valley Creek |
| Village Creek | AL0023647 | July 31, 2018 | Village Creek |
| Warrior | AL0050881 | October 31, 2015 | Cane Creek |

All nine plants have achieved good compliance records with only occasional excursions in spite of having relatively stringent effluent standards. All of the facilities except the Village Creek WWTP have

received Peak Performance Awards from the National Association of Clean Water Agencies (NACWA) in the last five years for perfect or near perfect compliance with the effluent standards mandated by their NPDES permit. Effluent data, drawn from 2012 Monthly Operating Reports for each of the facilities is provided in Table 3-3: Wastewater Treatment Plant Operational Performance

4.2.2 Collection Systems

The County's primary compliance concerns relate to the number and frequency of sanitary sewer overflows in some of the County's sewer basins. In calendar 2012, the County experienced 255 SSOs in its various basins. 92.5% of these SSOs occurred in the Cahaba River, Valley Creek, Village Creek and Five Mile Creek facility basins that remain included in the federal Consent Decree. The County's records indicate that approximately 60% of these SSOs are related to grease, roots or debris that has accumulated in the collection system. The current level of SSOs at 8 per 100 miles of pipe is 2-3 times higher than what the Department's anticipates should reasonably be achievable through increased System maintenance.

Continued reduction and prevention of these SSOs is a major focus of System maintenance efforts performed by County employees and outside contractors. The County will likely have to increase its cleaning activities to address these maintenance-related SSOs to the satisfaction of its regulators. The County has contracted with a consultant to assist in the prioritization of asset management efforts including System problem identification to assist in directing maintenance activities. Additionally, the County is procuring contract System modeling services for the Valley Creek basin in the near future to assist in understanding System capacity constraints that may also contribute to SSOs under certain conditions.

Also included in the collection system with respect to compliance is the proper operation of the Department's 177 pump stations. Proper pump station reliability and maintenance is essential to attainment of compliance. Reoccurring pump station failures are frequently a subject of enforcement actions from EPA. While the County does not appear to have a high degree of pump station failures at present, this represents a significant compliance risk if maintenance is not addressed. Given the number of stations, the size of the service area, station age and the high wet weather flow rates in some basins, the County needs to ensure good maintenance and reinvestment in the pump stations.

4.3 Consent Orders and Other Legal Issues

The County has been a defendant in certain civil actions (collectively referred to as the "Clean Water Act litigation") alleging that the County violated various provisions of the federal Clean Water Act in the operation of the System. The Plaintiffs in the Clean Water Act litigation included private citizens, an environmental group, and the United States Justice Department, acting at the request and on behalf of the Environmental Protection Agency ("EPA"). The actions were filed and consolidated in the United States District Court, Northern District of Alabama, Southern Division (United States of America v. Jefferson County, Alabama, et al., Civil Action No. 94-G-2947-S, and R. Allen Kipp, Jr. et al. and Cahaba River Society, Inc. v. Jefferson County, Alabama, et al., Civil Action No. 93-G-2492-S).

The thrust of the plaintiffs' claims in the Clean Water Act litigation was that the System was discharging untreated water containing raw sewage into the Cahaba River and the Black Warrior River and that these discharges violated the standards and limitations of the Clean Water Act as well as the System's various NPDES permits issued under the Clean Water Act. The plaintiffs claimed that the discharges occurred during periods of heavy rainfall when the rainwater infiltrated or flowed into

the lateral and collector lines for the System; that this infiltration and inflow increased the volume of water in the System beyond capacity limits of the System's treatment plants; and that untreated or partially treated waste water above treatment plant capacity limits bypassed the treatment plants and was diverted during these periods directly into rivers.

On January 20, 1995 the District Court granted partial summary judgment in favor of the plaintiffs, finding that the County and the System were in violation of the Clean Water Act, and directed the parties to engage in settlement discussions with respect to the appropriate remedy. On July 31, 1995 the County announced that it had reached an agreement with the plaintiffs on the essential terms of a settlement; the terms of such settlement are now embodied in a Consent Decree (the "Consent Decree") that was approved and entered by the District Court on December 9, 1996.

A significant feature of the Consent Decree is a mechanism to provide for the establishment of a unified County-wide system for collection and treatment of sewage under the authority of the County. Such unification has now been achieved, resulting in the conveyance to the County of all municipal systems in the County. This unification provides the County with the means to address the problems of infiltration and inflow in lateral and collector lines, which is the principal objective of the Consent Decree.

The Consent Decree calls for the development and implementation of a remedial plan that is intended to eliminate bypasses and other unlawful discharges of untreated sewage to streams in the County. The remedial plan required, among other things, extensive rehabilitation of lateral and collector sewers throughout the County and construction of additional capacity to the treatment plants in the System. The action requirements of the decree consisted of three phases, a planning phase, an investigative phase and an implementation phase; all of which were completed by dates required in the Consent Decree with the exception of one project.

Phase I of the remedial plan involved the preparation of planning documents used to evaluate the physical condition and hydraulic capacity of the County's sewage collection system and wastewater treatment plants. Phase II involved a detailed analysis of the conditions of the County and municipal sewage collection systems and wastewater treatment plants, including reports quantifying the amount of infiltration and inflow in each sewage collection system, describing the types of remedial or corrective work needed and quantifying the benefits expected. Phase III is the implementation phase of the Consent Decree. This phase consisted of numerous projects aimed at achieving appropriate capacity or reducing wet-weather flows in the County's collection system and treatment plants. This phase also consisted of the elimination of automatic diversion structures in the collection system that allowed excess sewage flows to spill into area streams and rivers.

The status of the three phases and basin termination therefrom of the Consent Decree is shown in Table 4-2.

TABLE 4-2
 Consent Decree Status

| Basin | Phase I Complete | Phase II Complete | Phase III Complete | Basin Termination from CD |
|-----------------|------------------|-------------------|--------------------|---------------------------|
| Leeds | ✓ | ✓ | ✓ | ✓ |
| Prudes Creek | ✓ | ✓ | ✓ | ✓ |
| Trussville | ✓ | ✓ | ✓ | ✓ |
| Turkey Creek | ✓ | ✓ | ✓ | ✓ |
| Warrior | ✓ | ✓ | ✓ | ✓ |
| Cahaba River | ✓ | ✓ | ✓ | Pending |
| Five Mile Creek | ✓ | ✓ | ✓ | |
| Shades Creek | ✓ | ✓ | ✓ | Note 1 |
| Valley Creek | ✓ | ✓ | ✓ | |
| Village Creek | ✓ | ✓ | ✓ | |

Note 1 - The shades basin is named separately in the consent decree but is part of and will be terminated with the Valley Creek basin.

Since the completion of implementation phase the County has requested and has been granted the termination of five basins from the Consent Decree (shown above). Additionally, the County has requested that the Cahaba Basin be terminated from the Consent Decree and it is expected that this basin will be terminated from the Consent Decree following the County's exit from bankruptcy. The County has not requested termination from the Consent Decree of the remaining three basins - Valley Creek, Village Creek and Five Mile Creek. While no Consent Decree required construction projects remain unfinished in these basins, it appears that additional collection system maintenance and/or capacity improvements are required to achieve the appropriate sanitary sewer overflow control.

As previously mentioned the County still experiences sewage overflows in the Valley Creek, Village Creek and Five Mile Creek basins that are largely related to issues to be addressed in their EPA approved collection system Capacity, Management, Operations and Maintenance (CMOM) Program. This is an ongoing operations effort to address System blockages related to grease accumulations, root intrusion and other forms of debris. As this works continues and overflows are further reduced through System cleaning, the County plans to request termination of the remaining basins. The Consent Decree does not have a specific final completion date beyond the dates associated with the completion of the implementation phase. The County routinely reports its progress on finalizing the Consent Decree in monthly and quarterly reports to Region IV of EPA.

The Consent Decree provides for stipulated penalties if the County fails to meet submittal dates for plans, reports and schedules under the remedial plans, deadlines for completing remedial work and deadlines relating to the Supplemental Environmental Project referred to below. Such stipulated penalties are applied for each occurrence on a per-day basis. If EPA makes a written demand for stipulated penalties, the County has the right to contest EPA's position, both directly with EPA and the District Court pursuant to dispute resolution provisions in the Consent Decree. Moreover, if delays

result from causes outside the County's control (force majeure), stipulated penalties may not be assessed. The County has not been assessed stipulated penalties for failing to complete any portion of the Consent Decree deliverables by the required date.

Stipulated penalties have been assessed in the past related to sanitary sewer overflows and bypasses as provided for in Section XI of the Consent Decree. Since January 16, 2008 the EPA has accrued but not demanded payment for stipulated penalties related to the Consent Decree. The present value of accrued violations, which have not been demanded, is approximately \$1.77 million. Annually the County budgets funds to cover the cost of accrued stipulated penalties in the event that the Agency demands payment.

Pursuant to the Consent Decree, the County has paid a \$750,000 civil penalty and \$577,000 in stipulated penalties to the United States Government for past violations of the Clean Water Act. In addition, the County agreed to undertake a supplemental environmental project ("SEP") at a cost of \$30 million creating greenways in the service area. The County has completed commitments related to the SEP and anticipates no further costs related to the greenways including any ongoing operations and maintenance expenses.

4.4 Future Regulatory Issues

Identifying future regulatory issues is difficult given the number of regulators and the ever-changing environmental regulatory situation in the United States. Future regulatory issues that have the possibility to affect the County are related to potential increases in effluent standards for some of the treatment facilities. The likelihood of these changes in standards is very hard to quantify and regulators were unable to definitively state when the changes might occur, if ever. The potential changes described below are driven by one of the following:

- Receiving streams that are added to the states 303d list⁹ due to impairment
- Changes in the receiving stream use designation¹⁰
- Additional water quality information that causes increased effluent requirements

4.4.1 Nutrient Removal Requirements

Four of the County's plants have effluent limits for total phosphorus in their current NPDES permit. The Leeds facility has an effluent total phosphorus requirement of 1.0 mg/l. The facility readily meets this effluent standard with its current treatment process. In the future it is possible that this standard will become more stringent to meet water quality standards in a downstream lake. ADEM considered this issue to be a number of years away and only if the receiving waters for these facilities are included on future 303d lists for phosphorus impairment. If a listing for phosphorus

⁹ The term "303(d) list" is short for the list of impaired and threatened waters (stream/river segments, lakes) that the Clean Water Act requires all states to submit for EPA approval every two years on even-numbered years. The states identify all waters where required pollution controls are not sufficient to attain or maintain applicable water quality standards, and establish priorities for development of TMDLs based on the severity of the pollution and the sensitivity of the uses to be made of the waters, among other factors (40C.F.R. §130.7(b)(4)). States then provide a long-term plan for completing TMDLs within 8 to 13 years from first listing.

¹⁰ "Designated Uses" are those uses specified in water quality standards for each water body or segment. Recreational uses; the propagation and growth of a balanced, indigenous population of aquatic life; wildlife; and the production of edible and marketable natural resources are generally stated as "fishable and swimmable" uses. Other uses may be industrial water supply, irrigation, and navigation.

impairment does occur, a Total Maximum Daily Load (TMDL)¹¹ analysis will determine the required effluent limits for the Leeds plant. It is not expected that the limits, if changed, would result in as stringent a standard as the Trussville and Cahaba River facilities. The most likely sequence for an effluent standard change to occur would include, listing on the state's 303d list, determination of a TMDL, creation of a compliance schedule in the next permit cycle following the TMDL with ultimate compliance estimated as being 5-7 years into the future.

The Cahaba River and Trussville facilities have a compliance schedules included in their current operating permits that will increase the required level of control for total phosphorus significantly in three steps. These plants will have to achieve effluent total phosphorus of 0.4mg/l by April 1, 2014, 0.2 mg/l by April 1, 2016, and 0.043 by April 1, 2022. The final limit approaches the limits of currently available phosphorus treatment technology and will result in significant capital costs that are further discussed in Section 6.4.12. The County has raised the question of cost versus environmental benefit of this level of control to the regulators. While these requirements remain in the operating permits, the ability to seek a permit modification was also added at the request of the County.

The County intends to collect water quality data to support a permit modification request regarding the 0.043 mg/l final phosphorus limits discussed above. Like many other areas of the country, the nutrient issue in the Cahaba River cannot be adequately addressed through increased standards at treatment plants. Non-point source runoff from various areas in the basin contributes to the phosphorus concentrations in these streams. This is a national issue because the Clean Water Act does not adequately provide for regulation of non-point source pollutions sources. Additionally, imposed limits may not provide or be necessary to achieve adequate levels of benthic health.

As more treatment facilities across the nation are required to comply with effluent standards that are essentially the limits of treatment technology, there will be an increased effort to change how nutrients are addressed in streams and rivers. It is possible that the extreme measures identified in the Cahaba River WWTP and Trussville WWTP permits could be relaxed in favor of more practical and effective pollution control efforts related to other sources of phosphorus. Given the situation with nutrients has not completely unfolded, the County's approach of trying to develop a technical basis for relaxing the standards is appropriate. Barring a change in regulations or their application, the effluent requirements in these permits will stand and compliance will depend on a significant capital expense.

The remaining facility with current phosphorus limits is the Turkey Creek plant. This treatment plant is required to meet a monthly mass limit during the summer months that it regularly achieves. There is no present compliance schedule for this facility to move to a higher degree of treatment in the current NPDES permit that will remain in effect until calendar 2015.

The Five Mile Creek, Village Creek, Valley Creek could be required to perform increased levels of treatment for effluent phosphorus in future permits. While the receiving streams for these facilities are not listed for phosphorus impairment, waters further downstream have been listed on the state's 303d list. The creation of a TMDL to address the downstream condition, if deemed appropriate, will

¹¹ "Total Maximum Daily Load" or TMDL is an allocation of pollutants discharges among all pollutant sources on an impaired water body. This is the way the Clean Water Act determines the total amount of a specific pollutant can be released to a water body and still allow for the attainment of appropriate water quality. The total load is allocated to various sources which then dictates what effluent standards are required to be achieved in NPDES permits.

take 2-3 years. It is likely that a compliance schedule for achievement of more stringent effluent standards would be added to the NPDES permits for these facilities in the next permit cycle following the TMDL. As the Turkey Creek and Five Mile Creek Facility NPDES permits will be renewed within the next 2-3 years, an effluent standards change to address a TMDL would be unlikely for an additional permit cycle - in other words, the permit following the next renewal. It is possible that the Village Creek and Valley Creek facilities could be subject to increased phosphorus limits in their next renewals in 2016 and 2018. As described in the case of the Leeds plant, a compliance schedule would then dictate how many years the County would have to achieve compliance with the new effluent requirement. The effluent phosphorus limits for these facilities are not anticipated to be as stringent at the Cahaba River and Trussville plants.

All of the County's facilities are presently required to remove ammonia nitrogen. The degree of ammonia removal is based upon requirements established by ADEM for the respective receiving stream. ADEM officials stated that whenever nutrients are reviewed, the analysis includes both phosphorus and nitrogen. Typically the streams in the Jefferson County area are limited for phosphorus and therefore the ammonia nitrogen removal requirements are not exceedingly stringent. With the exception of the use designation considerations listed in the next subsection, changes in ammonia nitrogen effluent standards are not expected for any of the County's treatment facilities in the near future.

4.4.2 Changes in Use Designation

The Village Creek and Valley Creek facilities could be subject to changes in their receiving stream use designation in future years. Presently Valley Creek and Village Creek are listed as Limited Warm Water Fisheries in the state's use designation system. This stream designation is a lesser use and therefore a less stringent water quality situation than the highest use of "Fishable Swimmable". In the last permit cycle ADEM received comments from a local environmental organization that the designation should be changed to the higher standard.

According to ADEM, if changes do occur, Valley Creek is likely to be the first to be subject to a change, potentially in the next permit cycle. A change in the stream designation does not necessarily change the effluent requirements of the associated treatment facilities. Recently a change occurred in the Five Mile Creek treatment facility's receiving stream designation and did not significantly change the effluent requirements for the plant. Changes in stream use could trigger more frequent toxicity testing on plant effluent. If toxicity was a problem, it could result in higher required levels of treatment for biochemical oxygen demand and ammonia nitrogen. Since these plants already achieve a rather high degree of treatment for these pollutants it unlikely that this is a serious concern.

4.4.3 Mercury

Mercury sampling has been added to the sampling requirements of all of the County's treatment facilities except the Warrior and Prudes plants. This sampling requirement could be used to determine mercury limits on the effluent of these treatment plants. According to the County, the most likely source of mercury in area waters is through atmospheric deposition from adjacent coal fired power generation. The County is conducting stream sampling to determine if the mercury in the treatment plant effluent is essentially at background levels. The imposition of a water quality standard for mercury is not expected to result in additional treatment or capital costs for the utility.

4.4.4 Biosolids

The County disposes of biosolids resulting from the treatment processes at all of its facilities through a program of land application. Biosolids are periodically applied at the Flattop and Beltona Land Reclamation sites. These sites are former strip mining locations that are being reclaimed. Alabama has not accepted delegation of the EPA biosolids regulatory process and therefore all regulations are administered by EPA. According to the agency, there are not likely to be significant changes in the biosolids regulations affecting the County. The continued disposal of treated biosolids on these reclamation sites is considered to be viable and unlikely to be subject to significant increases.

5.0 Operations & Maintenance Expenses

5.1 Operations Overview

The Department is responsible for the O&M of its wastewater assets comprised of both collection system assets and wastewater treatment plants.

5.1.1 Collection Systems

Leading up to the 1996 Consent Decree, the incidence of SSOs in the County's and adjacent service areas was approximately 500 SSOs per year. Additionally the various collection systems included 5 automatic bypass locations that resulted in sewage bypasses of approximately 500 million gallons each year. At that time, the peak wet weather to average daily flow ratio at the various treatment plants was around 10:1 indicating a system that carried large quantities of stormwater during rain events.

Collection system work required under the Consent Decree included approximately \$700M for repair (lining) and replacement of sewers and manholes. Additional sewers and pumping capacity at plants and pump stations was estimated to cost an additional \$200M. In addition to the capital improvements constructed as part of Consent Decree compliance, the County developed and received EPA approval for a CMOM Program. This program is an ongoing strategy to reduce SSOs and achieve termination of the Consent Decree. To date, five of the System's nine basins meet the operational requirements of the EPA. For these basins all milestones required under the Consent Decree have been met and performance has been proven; Consent Decree requirements for those basins have been terminated. In the remaining basins, County assessments of prevailing causes of continuing SSOs indicate that reductions may largely be achieved through enhanced maintenance rather than capacity improvements. For example performance improved in the Valley Creek basin from 250 to 150 SSOs annually following the implementation of enhanced maintenance measures.

The County, working with an asset management consultant, has initiated efforts to further reduce SSOs related to System blockages. In house crews clean sewers to prevent blockages from grease, roots and debris accumulations. These efforts are targeted to locations in the System that are prone to blockages and recurring SSOs.

5.1.2 Pump Stations

Pump stations are an integral part of the wastewater collection system. Pump stations are necessary to lift wastewater to higher elevations so that it can continue to flow by gravity to one of the System's treatment plants for processing. Pump stations scattered around the region have been installed over a 100-year period. The maintenance and operation of these facilities require the combined work of mechanical and electrical technicians to assure that pumps are available to handle increased wet weather flows when necessary. The County's pump station operations staff is able to monitor the stations by critical alarms which allows for prompt dispatching of staff to address problems. Recent reductions of County staffing levels for maintaining these facilities coupled with their importance for compliant System operation were important considerations in projecting pump station related O&M expenses. As mentioned in Section 4, reductions in SSOs are a significant concern of state and

federal regulators. Overflows related to a lack of pump station maintenance are of equal concern and are addressed in the operations and maintenance cost estimates.

5.1.3 Treatment Plants

As described in Section 3, the County operates nine wastewater treatment plants. All are secondary treatment plants with several designed for or practicing nutrient removal. All meet their permit discharge standards with a combination of biological (activated sludge) and physical/chemical treatment. With the exception of Turkey Creek and the older treatment train at Village Creek, all are designed with sand filtration. All facilities meet their individual bacteriological standards with either UV (Ultraviolet) disinfection or chlorination followed by dechlorination. Effluent quality (visual) ranges from excellent to exceptional.

Solids treatment is, generally, by aerobic digestion, with the larger facilities using anaerobic digestion. Those with anaerobic digestion indicated periodic difficulties with poor gas production. Methane produced in the anaerobic process is used to heat the digestion process. When this process produces insufficient methane, digester heating is accomplished with natural gas as a supplemental fuel that has to be considered in the operational costs of the facility.

The smaller plants (less than 10MGD dry weather capacity) are oxidation ditch systems, are “younger” than the major plants (constructed within the last 15-20 years) and have no “legacy” treatment processes or equipment. All plants thicken and/or dewater treated sludge and dispose of it by land application.

The Department has an agreement, currently renewed annually, with the landowner(s) of former strip-mine sites. These sites are permitted for land application and incorporation of treated sludge.

Heavy maintenance (Mechanical/Electrical/I&C) is centralized at the larger plants and serves all facilities, including pump stations, on an “as-needed” basis, generally for repairs and replacements. Major maintenance is contracted.

5.2 Staffing

The Department has focused on expanding and improving the capability, reliability and technology at its wastewater treatment plants and pump stations. Those improvements have also led to significant changes in the number and capabilities of its Operations and Maintenance workforce. For example, Treatment staffing numbers have been reduced from a peak of 286 in FY 2007 to 199 budgeted positions for FY 2014. Along with those changes, the Department has strengthened its requirements for operator education and experience; making operator certification mandatory for all future hires, and creating a career path based on work experience and levels of certification.

In projecting operating expenses, it is anticipated that significant changes in the mix of workforce skills – migrating from a focus on facility operations to asset maintenance and management – will be required. The Department will need to improve its capabilities in regards to Preventive and Predictive Maintenance with the goal of protecting assets and extending their service lives.

5.3 Operating Budgets

The ESD operating budget is broken down into seven major categories:

- Personnel

- Utilities
- Billing Services
- Legal & Professional Services
- Contractual Operations and Maintenance Support
- Functional Support Services
- Parts, Supplies, and Miscellaneous Equipment

The following is a discussion of each budgetary area and the drivers that affect projected costs and prospective cost trends.

5.3.1 Personnel

The Personnel budget consists of various forms of compensation to ESD employees including salaries, overtime, and various employer supplied benefits including insurance and pension. Personnel budgets in the industry are typically affected by local workforce availability, medical insurance costs, pension benefits and how the utility chooses to address other post-employment benefits (OPEB). Like most utilities, the County's largest operational cost is labor. Following substantial labor reductions over the past years, the labor budget represents approximately 35% of the total operations related costs. Current staffing levels in terms of total numbers appear to be reasonable for a wastewater utility of the size and scope of the System.

As the Department's assets continue to age, staffing to maintain mechanical and electrical systems in the treatment plants is likely to be a concern. The substantial capital investment in treatment facilities implemented under the Consent Decree will impose increased maintenance requirements, and because these facilities were developed in approximately the same timeframe, maintenance requirements will be similarly coincident. The continued O&M of these facilities as they age is considered in the cost estimates.

Maintenance activities in the collection system required to maintain pump stations and improve the operations of the gravity sewer system will also require increased attention. In order to operate and maintain its assets and provide good customer service efficiently in the future, the Department will have to continue leveraging automation and retraining strategies.

Recent staff reductions have caused a drastic reduction in the budget for these services. The County presently has a considerable number of authorized yet unfilled positions shown in Table 2-2. As described in Section 2.4 the County is constrained in its ability to expedite hiring new personnel by a 1982 consent decree. For this reason the budget estimates show a two fiscal year period (FY 2014 and FY 2015) for achieving full staffing. Following attainment of full staffing at 440 positions,¹² the County is expected to see gradual increases in this budget area (subject to prevailing hiring restrictions). Considering the various items that make up the personnel budget and the trends in those costs in recent years, the assumed annual escalation rate of 3.5% for personnel services in the County's long-term financial projection appears to be reasonable and was employed for purposes of the projection presented in the Financial Plan delineated in Section 8.

¹² It is anticipated that additional collection system maintenance and other positions will be filled from the current pool of unfilled positions. In doing so, the Department will realign the distribution of positions across divisions and enhance expertise and experience.

5.3.2 Utilities

Pumping and treatment of wastewater requires significant electrical use, typically making wastewater utilities among the largest customers of a power utility. For the System, electrical requirements are potentially more substantial than for other similarly sized systems. The Department is required to provide advanced treatment at many of its facilities, which requires more treatment stages and processes than for many utilities not subject to similarly stringent treatment requirements. Moreover, due to the size of the service area, the way it was developed over time and the need to move wastewater from numerous sub-basins to regional treatment facilities, pumping requirements are more pronounced than smaller systems with fewer sub-basin service areas. In addition, several System facilities are operating significantly below their permitted capacities with influent flows well below that anticipated in plant design. This situation can negatively impact the efficiency of these facilities until growth in the area contributes increased flows.

In addition to electrical consumption, the Department purchases water from local water providers, natural gas for some facilities, and communications services for telephones, computer networks, and other System assets. While these utility costs are substantially lower than electricity, they are necessary to properly operate equipment, heat buildings and anaerobic digesters, and allow for communications between staff and facilities.

Utilities expenses have been flat for several years indicating a fairly repeatable level of use. The most likely influence on year-over-year differences in expenses relate to variances in pumping costs due to weather (where expenses increase in relatively wet years). The assumed annual escalation rate of 3.0% for utilities expenses in the County's long-term financial projection appears to be reasonable and was employed for purposes of the projection presented in the Financial Plan delineated in Section 8. Increased treatment requirements, particularly in larger facilities, could influence that rate in outlying years.

5.3.3 Billing Services

Billing services include the cost of operating and maintaining systems to collect water usage data, generate bills, mail services, and services for collecting payments. A detailed analysis is required to determine a recommended approach that can be successfully implemented. It is expected that billing services costs will be reduced through a number of managerial decisions and business process redesigns, including most notably the implementation of a new billing system as discussed in Section 7 and Appendix III. The current billing services cost is \$5.175M per year. It is expected that this cost can be reduced by FY 2017 to approximately \$4.30 million per year (current dollars). This is not solely dependent on a CIS and Billing System; however, there are specific system requirements that cannot be met through the existing legacy COBOL system. As the Department completes its Information Systems Master Plan and requirements business case for the management of customer accounts and billing, a CIS and Billing System strategy will be more fully defined.

For purposes of developing Billing Services expense projections, a composite view of potential expenses associated with the acquisition and implementation of a billing system was developed as illustrated in Table 5-1.¹³ The table is a representative example using a combination of planning level quotes and professional estimates based on customary industry charges.

TABLE 5-1
Estimated Billing System Expense Requirements and Potential Savings (Current Dollars)

| Purchased Solution | Monthly | Annual |
|--|----------------|-----------------------|
| Number of Accounts | 142,063 | 1,704,756 |
| Traditional Option ⁽¹⁾ | | |
| Licenses | | \$176,850.00 |
| Server/Storage | | \$750,000.00 |
| Configuration Professional Services | | \$427,500.00 |
| Ongoing OPEX Cost of Purchased Solution (Maintenance Fees)* | | \$44,250.00 |
| Revenues | | ~\$135,000,000 |
| Cost of Consumption Data | \$174,025 | \$2,088,295 |
| Online Portal Fee | \$50 | \$600 |
| Billing | | |
| Electronic | \$17,048 | \$204,571 |
| Postage | \$74,583 | \$894,997 |
| Sub-Total | \$91,631 | \$1,099,568 |
| Payment Processing | | |
| Electronic Payments (convenience fee paid by consumer, net neutral to ESD) | \$0 | \$0 |
| Paper documents | \$149,166 | \$1,789,994 |
| Sub-Total | \$149,166 | \$1,789,994 |
| Total Cost of Billing and Remittance | \$414,871 | \$4,978,457 |
| with Markup on convenience fee | \$56,541 | 678,493 |
| Net Cost | \$471,412 | \$4,299,964 |
| Projected Process Savings | | \$873,543 |
| Net Cost + OPEX Cost of Purchased Solution* | | \$4,344,213.99 |

(1) Source: Modified SunGard Quote

¹³ This example contemplates acquisition of a new Tier 2/3 system or making use of current SAP billing system functionality with additional licenses based on number of accounts. The County currently has licenses for approximately 20,000 accounts, expenses for additional licenses to process bills for the entire service area is estimated at \$200,000 and composite costs based on discussions with remittance process vendors. It is assumed that 70% of payments will be paper check and 30% electronic. The table also highlights the use of a convenience fee for processing electronic payments.

While there is an opportunity to lower costs through new negotiated agreements that support inter-local consumption data sharing, there is also a notable risk that negotiations of cost reductions in this area may not realize the levels of savings forecasted.¹⁴ Similarly, lockbox services may not reduce costs as anticipated due to the rising cost of processing paper items (given the general increase in use of electronic payments). Finally, bill frequency changes may not be acceptable insofar as customers will face higher though less frequent bills that require more proactive budget management than monthly billing cycles impose. Risk inherent in implementing new information systems and establishing new relationships with vendors for lockbox processing may make staying with the current arrangement with the BWWB more feasible, though it is anticipated that some cost savings may be realized in any event through more proactive management of billing service costs.

5.3.4 Legal and Professional Services

For the past several years, the County has incurred substantial legal expenses related to its filing for Chapter 9 bankruptcy protection which represent atypical expenses. Utilities normally incur legal expenses for claims and actions that are similar to any large company operations. The County can incur legal costs associated with right-of-way acquisition for construction activities, and other actions related to the operation of their infrastructure. In addition, the amount of legal service expense incurred in any particular year is related to work that is contracted to outside counsel due to volume and scope considerations as opposed to being handled by County staff. Other professional service expenses include audit services and engineering services outside the capital program. For the System, this normal level of professional services is estimated to be approximately \$2.5 million after emerging from bankruptcy— a level consistent with that of other similarly situated utilities.

Projected Legal and Professional Services expenses assume that bankruptcy-related expenses will be limited in FY 2014 to approximately \$2.4 million over the 1st quarter of the fiscal year and will not be incurred beyond FY 2014. Accordingly, these expenses will return to the normal levels noted above (with application of escalation factors) beginning in FY 2015. The annual escalation rate for legal expenses is assumed to be 2.0% from FY 2015 to FY 2017, 2.5% from FY 2018 to FY 2022, and 3.0% in FY 2023 and beyond. This assumption in the County's long-term financial projection appears to be reasonable and was employed for purposes of the forecast presented in the Financial Plan delineated in Section 8. This escalation rate is consistent with the experience of other utilities.

5.3.5 Contractual Operations/Maintenance Support

Like all utilities, the Department contracts out certain work that it chooses not to self-perform. This strategy recognizes that, in select circumstances, an outside contractor can deliver certain work necessary for successful utility operations at a better combination of quality and cost. Examples of these services include collection system maintenance services, lawn maintenance, hauling and disposal of screenings from the plants, and certain types of maintenance related services such as machine shop work. This strategy has allowed for reassignment or reduction of staff with associated reductions in operating costs. This decision includes services that are required on an infrequent basis and/or of a specialized nature where there is no economic justification to self-perform.

As mentioned in Section 4, there is a substantial risk to the County in not continuing to make progress in reduction of SSOs. Expediting improvements in the System can be greatly facilitated by increased sewer system maintenance activities such as pipe cleaning and inspection. The County

¹⁴ For the purposes of expense projections contained herein, it is assumed that data sharing fees from BWWB will be around 1.5% of billed revenues.

currently both self performs and contracts for these services. An effective approach used by many utilities is to contract sewer system maintenance services to augment "in-house" efforts.

These contractual service efforts, included in the FY 2014 operating expense projection, are aligned with asset management planning efforts and will enable improved System performance. The asset management efforts are designed to determine key areas that must be addressed to improve System performance. This includes identifying problem areas that require inspection and, when problems are identified, executing remedial actions. The County's FY 2014 budget of \$6.12 million reflects its strategic use of contractual Operations and Maintenance Support. As the County achieves full staffing as described above, additional collection system staff can be assigned to these continuing efforts and the need for outsourcing will decline. As a result of prioritized sewer cleaning scheduled in FY 2014, the County estimates that the long-term expense associated with this budget category will be reduced by \$0.5 million beginning in FY 2015. The County estimated a blended cost escalation factor for contractual services at 2% per year for FY 2015 to FY 2017, 2.5% from FY 2018 to FY 2022, and 3.0% in FY 2023 and beyond. Although there are a wide variety of services included in this budgetary category, and they may tend to have different escalation rates, these escalation assumptions appear to be appropriate. Attempting to estimate various escalation rates for such a diverse assortment of contractual services would be impractical.

5.3.6 Functional Support Services

Utilities that are part of larger public organizations often obtain numerous services from other departments. For ESD, the County's Human Resource, Finance, Information Technology and other departments appropriately provide these services. These General Fund-supported departments are then reimbursed for these services from the Department's Operating Fund. This is a normal practice in the industry where a user fee-supported utility receives services from an associated department of the same organization that is tax-supported. It recognizes that the utility's rates should capture all the costs of operations, and that the tax-supported portion of the public entity should not subsidize the utility.

Between FY 2009 and FY 2011, the Department reimbursed the County between \$5.2 and \$5.4 million per year for these services. The County Finance Department uses a double-step down allocation methodology to allocate these costs.¹⁵ The Department has not reimbursed the County for these services for FY 2012 or FY 2013 and, for purposes of these projections, no reimbursement of indirect expenses for these fiscal years is contemplated in the forecast period.¹⁶ The County has included a budget estimate of \$6.5 million for these services in the Department's adjusted FY 2014 budget, as well as approximately \$1 million per annum for direct charges associated with fleet services. The County has appropriately estimated the annual escalation rates for these support services at 2.0% per annum throughout the forecast period.

¹⁵ The double-step down methodology requires an initial sequencing of allocating departments. In the first step of the double-step methodology, allowable costs from central service departments are allocated in the sequence selected to all County departments, divisions and funds; including to other central service departments. The second step in the double-step down methodology is made to fully account for the cross support provided between central service departments. Central service departments are closed after the second step in the double-step down allocation methodology.

¹⁶ The County's audited financial statements for FY 2012 state with respect to indirect expenses that "The Commission has fully reserved the receivable for indirect costs from the Sanitary Operations Fund to the General Fund of \$7,052,000 at September 30, 2012. The status of this receivable is uncertain and may be subject to dispute but the Commission has reserved all of its rights in connection therewith." It is assumed that the County will invoke the same reservation for the FY 2013 indirect expenses.

5.3.7 Parts, Supplies and Miscellaneous Equipment

This budget category provides for purchases of the chemicals, materials, spare parts and supplies necessary to operate the utility. In addition, in FY 2014, the \$1.77 million of accrued EPA penalty liability discussed in Section 4.3 and \$1.05 million of Operating Capital Equipment has been budgeted in this category.

Of the more typical expenses, particularly significant are the chemicals used in the various treatment plants for phosphorous removal and solids dewatering. Spare parts are required to be stocked or readily available from local providers to ensure that the facility continues to operate in conformance with its discharge permit. This category also includes lubricants, fuels, paint, safety equipment, cleaning supplies, and administrative supplies. The Department's operation of a large number of unique treatment facilities adds to the scale of the part supply budget. The nine facilities, each designed with equipment of different manufacturers, models, and capacities, require an appropriate level of spare parts to be on hand for proper operation. The County's facilities have spare equipment to assure continuous operations as is typical for these facilities and it is important that this standby equipment not be cannibalized for spare parts to keep other process equipment running.

Budgeting for EPA fines anticipates that the County's accrued liability will become payable with its exit from bankruptcy and that the County will be subject to continuing, though declining, penalties. These penalties are anticipated due to collection system SSOs that will decline over the forecast period such that the incidence of SSOs is consistent with regulatory requirements for System performance.

Operating capital equipment is budgeted in FY 2014 at \$1,048,600 to reflect specific, scheduled capital equipment purchases. Such purchases are assumed to be incorporated into the projected capital expenditure forecasts beyond FY 2014.

In order to assure that the appropriate supplies and parts are on hand when needed, an adequate budget must be established for these purchases. The base FY 2014 budget of \$6.0 million for this category¹⁷ reflects recent historical experiences and appears reasonable. The County has estimated the escalation rate of these costs to be 2.0% for FY 2015 to FY 2017, 2.5% for FY 2018 to FY 2022, and 3.0% for FY 2023 and beyond. As with contractual services, there are a very large number of spare parts and supply purchases in this category. The escalation rate schedule appears to be a reasonable assumption in attempting to forecast this budget category.

5.4 O&M Expense Projection, FY 2014 – FY 2023 (Constant Dollars)

Projected operating expenses referenced the Department's actual expense information from FY 2011 to FY 2013, its FY 2014 budget, and prior projections of prospective operating expenses including that incorporated in the Plan of Adjustment. Constant dollar projections for each cost category are reflected in Table 5-2 (at the end of this section), escalated projections are provided in Table 5-3, and Table 5-4 provides the cost escalation factors applied to each category of O&M expense. A discussion of each of the constant dollar projections follows.

¹⁷FY 2014 budgeted amount less the atypical expenses associated with EPA penalties and operating capital equipment purchases).

5.4.1 Personnel Services

As stated above, the County will require two fiscal years to achieve full staffing consistent with their authorized positions. This is reflected in the increase in estimated expense between FY 2013, FY 2014, and FY 2015. Following achievement of full staffing in FY 2015 this category is expected to remain flat in constant dollars.

5.4.2 Utilities

Utility expenses are flat in constant dollars over the forecast period with the exception of utility expenses included in incremental O&M discussed below.

5.4.3 Billing Services

The projected FY 2014 billing costs reflect the County's current approach to sewer billing. Projected billing service expense reductions reflect assumptions that reductions in costs related to water consumption data acquisition, remittance processing, and other billing service provider charges will be realized. It is anticipated that these efficiencies can be partially realized in FY 2016 with full implementation occurring in FY 2017. Expenses for Billing Services are projected to remain flat in constant dollars thereafter.

5.4.4 Legal and Professional Services

The baseline constant dollar expenses in this category are estimated to be \$2.5 million per year. FY 2014 costs reflect the inclusion of four months of legal services associated with the County's anticipated exit from bankruptcy.

5.4.5 Contractual Operations and Maintenance Support

The FY 2014 estimate is based upon funding increased outsourcing of sewer system maintenance and condition inspection activities. These services are necessary to augment the County's staffing to reduce SSOs in the System. Following FY 2014, cost estimates are reduced by \$500,000 per year to reflect anticipated self-performance of these maintenance and condition inspection activities.

5.4.6 Functional Support Services

These expenses, determined through indirect cost analyses, are projected to remain constant in 2013 dollars.

5.4.7 Enhanced Maintenance: Parts & Supplies

Supplies and parts expenses are expected to remain constant in 2014 dollars over the forecast period (though there is an element of this expense included in the projected incremental O&M discussed below). Operating capital equipment costs included in this category in FY 2014 are projected in the capital expenditure forecast for years thereafter.

As noted, this category also includes projected expenses for payments of fines imposed by the EPA. As described in Section 4.3, there are accrued but uncollected fines associated with SSOs that occur in sewer basins that have not yet been terminated from the Consent Decree. For purposes of these projections, it is assumed that payment of the County's accrued liability will be expected following the County's exit from bankruptcy. Thus, \$1.77 million of expense is included in FY 2014 for these payments. With four basins remaining under the Consent Decree, it is appropriate to budget funds in subsequent years for fines related to SSOs. Accordingly, these projections include \$200,000 for FY 2015 for this purpose and gradual decline in this amount by \$25,000 per annum for the

remaining years of the forecast period. This reduction in penalties may be reasonably anticipated with improved performance with respect to SSOs and ultimate termination of the County's Consent Decree.

5.4.8 Incremental O&M

This category reflects both increases and reductions in various categories of costs over the forecast period. As described above in subsection 5.1.2, pump station maintenance is a regulatory concern in wastewater utilities. The County has operated under constrained budgets in recent years and has a significant number of pump stations of various ages. To assure that these stations do not add to the regulatory pressures already present with the County; \$1.1 million was included to effect increased pump station maintenance for four fiscal years. This work is aimed at assuring pump station reliability while capital improvement projects related to the relatively few major pump station projects also take place. The increased funding for pump station reliability is reduced to zero in FY 2018.

In FY 2020 a further reduction of \$600,000 per year (in constant dollars) in O&M costs can be realized as capital improvements in pump stations are completed. This reduction is included each year thereafter.

Starting in FY 2021 the estimated cost of commissioning, starting up and operating the new phosphorus removal facilities at the Cahaba and Trussville Treatment Plants is required. This estimated cost is \$2 million per year in current dollars. A complete description of these plant upgrades is presented in Sections 4 and 6.

5.4.9 Incremental IT Support & Implementation

Operational costs and savings related to information technology are provided in detail in Table 7-3. The information shown below in Table 5-2 includes costs related to IT Personnel, Application/Database Software, Security and Billing System & Professional Services. These estimated costs are primarily required to protect the County from cyber security issues and to address the County's antiquated utility billing situation.

TABLE 5-2
 Projected O&M Expenses, FY 2014 – FY 2023 (Constant Dollars)^{1,2}

| Cost Category | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Personnel | \$24.9 | \$26.2 | \$26.2 | \$26.2 | \$26.2 | \$26.2 | \$26.2 | \$26.2 | \$26.2 | \$26.2 |
| Utilities | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 | 8.1 |
| Billing Services | 5.2 | 5.2 | 4.7 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 | 4.3 |
| Legal & Professional Services | 4.9 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Contractual Operations / Maintenance Support | 6.1 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 | 5.6 |
| Functional Support Services | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 | 7.5 |
| Enhanced Maintenance: Parts & Supplies | 8.8 | 6.2 | 6.2 | 6.2 | 6.1 | 6.1 | 6.1 | 6.1 | 6.0 | 6.0 |
| Incremental O&M | 1.1 | 1.3 | 1.3 | 1.3 | 0.2 | 0.2 | (0.4) | 1.6 | 1.6 | 1.6 |
| Incremental IT Support & Implementation | 0.6 | 0.3 | 0.6 | 0.8 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 | 0.3 |
| Total | \$67.2 | \$62.9 | \$62.7 | \$62.5 | \$60.8 | \$60.8 | \$60.2 | \$62.2 | \$62.1 | \$62.1 |

1 - All numbers in millions

2 - Slight calculation discrepancies may exist due to rounding

TABLE 5-3
 Projected O&M Expenses, FY 2014 – FY 2023 (Nominal Dollars)^{1,2}

| Cost Category | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Personnel | \$24.9 | \$27.1 | \$28.1 | \$29.1 | \$30.1 | \$31.1 | \$32.2 | \$33.4 | \$34.5 | \$35.7 |
| Utilities | 8.1 | 8.3 | 8.6 | 8.8 | 9.1 | 9.4 | 9.7 | 10.0 | 10.3 | 10.6 |
| Billing Services | 5.2 | 5.3 | 5.0 | 4.7 | 4.8 | 5.0 | 5.1 | 5.3 | 5.4 | 5.6 |
| Legal & Professional Services | 4.9 | 2.6 | 2.6 | 2.7 | 2.7 | 2.8 | 2.9 | 2.9 | 3.0 | 3.1 |
| Contractual Operations / Maintenance Support | 6.1 | 5.7 | 5.8 | 6.0 | 6.1 | 6.3 | 6.4 | 6.6 | 6.7 | 6.9 |
| Functional Support Services | 7.5 | 7.7 | 7.8 | 8.0 | 8.1 | 8.3 | 8.4 | 8.6 | 8.8 | 9.0 |
| Enhanced Maintenance: Parts & Supplies | 8.8 | 6.3 | 6.4 | 6.5 | 6.7 | 6.8 | 7.0 | 7.1 | 7.3 | 7.4 |
| Incremental O&M | 1.1 | 1.3 | 1.4 | 1.4 | 0.2 | 0.2 | (0.5) | 2.0 | 2.0 | 2.1 |
| Incremental IT Support & Implementation | 0.6 | 0.3 | 0.6 | 0.9 | 0.3 | 0.3 | 0.3 | 0.3 | 0.4 | 0.4 |
| Total | \$67.2 | \$64.7 | \$66.4 | \$68.0 | \$68.2 | \$70.2 | \$71.6 | \$76.1 | \$78.4 | \$80.8 |

1 - All numbers in millions

2 - Slight calculation discrepancies may exist due to rounding

TABLE 5-4
Assumed O&M Escalation Rates by Cost Category, FY 2014 – FY 2023

| Cost Category | FY 2014 ¹ | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Personnel | 0.0% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% | 3.5% |
| Utilities | 0.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Billing Services | 0.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Legal & Professional Services | 0.0% | 2.0% | 2.0% | 2.0% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 3.0% |
| Contractual Operations / Maintenance Support | 0.0% | 2.0% | 2.0% | 2.0% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 3.0% |
| Functional Support Service | 0.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% | 2.0% |
| Enhanced Maintenance: Parts & Supplies | 0.0% | 2.0% | 2.0% | 2.0% | 2.5% | 2.5% | 2.5% | 2.5% | 2.5% | 3.0% |
| Incremental O&M | 0.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |
| Incremental IT Support & Implementation | 0.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% | 3.0% |

1 - FY 2014 estimates reflect anticipated operating expenses in nominal dollars and are therefore not escalated

6.0 Capital Project Expenditures

6.1 Overview

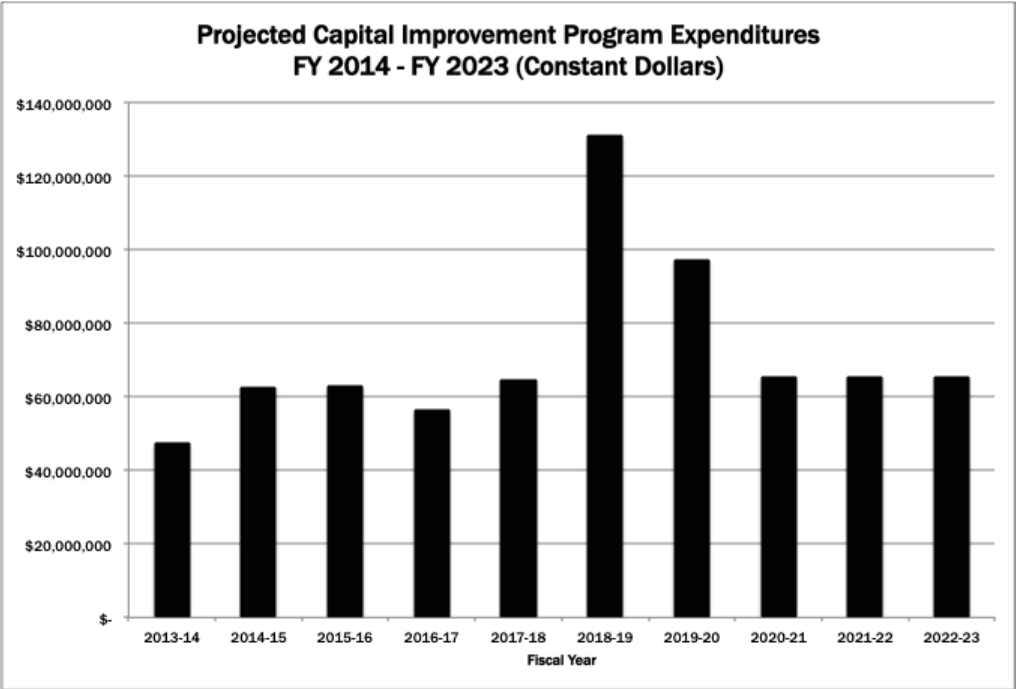
Capital expenditures include expenditures defined as capital under the County’s capitalization policy. All expenditures that meet the following criteria are considered capital expenditures:

- Costs relate to the addition or replacement of a component of a fixed asset.
- The asset has a value greater than \$5,000.
- The asset has an estimated useful life greater than one year.
- The asset can be tracked and accounted for independently in the fixed asset records.

Fleet expenditures, software and information technology infrastructure, and process expenditures are included.

The Department’s capital improvement plan (CIP) is continually reevaluated and updated. At present, the CIP contemplates annual average capital expenditures of \$71.9 million (in constant dollars) over the 10-year planning horizon as shown in Figure 6-1. Projected CIP spending is heavily influenced by TMDL compliance projects (discussed below).

FIGURE 6-1
Projected Capital Improvement Project Expenditures, FY 2014 – 2023



6.1.1 Rehabilitation

If a pipe or asset is not badly deteriorated, its life can typically be extended more economically through rehabilitation. In the case of a pipe, a liner can be placed inside the existing pipe, stabilizing the cracks in the original pipe and significantly extending the life of the asset. Under the Consent Decree, approximately 85% of the pipeline work involved rehabilitation rather than replacement. The Department expects this ratio will continue in its CIP.

6.1.2 Replacement

Assets that are outdated, severely deteriorated or undersized often require full replacement. For pipeline assets, the Department projects approximately 15% of the pipeline work will involve replacement versus rehabilitation. Many of the WWTP equipment assets constructed under the Consent Decree will require priority condition assessment in the context of the Department's Asset Management Program to determine prospective replacement requirements. Significant and sustained investment in replacement equipment and infrastructure will be required over the 10-year forecast period.

6.1.3 Consent Decree Compliance

As described in Section 4, the Department has complied with all requirements of the Consent Decree and is in the process of demonstrating levels of performance in the remaining four sewersheds for which EPA Consent Decree termination has not yet been received. One of the short-term goals of the CIP is therefore to fund projects and other capital expenditures needed to achieve complete termination of the EPA Consent Decree although the Department does not anticipate this work will be performed under the Phase III portion of the Decree.

One of the primary measures of EPA demonstrated compliance is the ability to manage the number and severity of avoidable SSOs. The CIP therefore includes projects and capital expenditures needed to further reduce SSOs.

6.2 Asset Management Program

Significant investment in the System will be required to reach the goal of a sustainable utility. The Department is committed to have its capital improvements planned, designed and constructed in a rational, methodical, defensible and prioritized manner. To accomplish this, the Department is in the process of establishing comprehensive asset management systems for its wastewater infrastructure including WWTP and collection system assets. Asset management programs are oriented to minimize the life-cycle costs of assets at acceptable levels of risk through a disciplined approach to assessing project needs based on prevailing risks and prioritizing asset investments accordingly.

6.2.1 Documentation

In order to properly maintain an asset, its existence, location and condition must be known. For WWTP assets, the new asset management program will provide a comprehensive maintenance history as well as aid in scheduling the correct routine maintenance needed to extend the life of these assets. For the collection system, a program is being established to standardize asset locations and condition assessment.

6.2.2 Prioritization

Asset management systems are currently being put into place to help prioritize asset repair, rehabilitation and replacement based on asset criticality and consequences of failure. These systems, in contrast to practices during the Consent Decree work, will collect and leverage all available information to make informed decisions. For example, the County will use extensive data from its flow-monitoring network to prioritize and evaluate capital project requirements.

Based on industry statistics¹⁸ well-conceived asset management programs can help reduce ongoing utility operating costs in the range of 15%-40% without significant changes in capital expenditures. Once fully implemented, the Department's asset management program is expected to extend the life of critical assets with a corresponding reduction in utility costs. Another primary benefit anticipated from the asset management program is the transition from mostly corrective maintenance when a critical asset is anticipated to result in better asset performance and higher levels of customer service via less operational interruptions or failures.

6.3 Capital Improvement Program Development Process

Projections of expenditure requirements for the Department's capital projects developed in Section 6.4 were based on prior projections of capital expenditure requirements developed by the Department, consulting engineers engaged for individual projects, and the receiver. Those project cash flow forecasts were developed using standard procedures for cost estimation and scheduling. In 2012, these projections were updated and validated by a consulting engineer (in collaboration with the Department) and served as the basis for the bankruptcy Plan of Adjustment. The projections presented herein reflect a further updating and validation of the projected expenditure plan by BC¹⁹ (based on information provided by the Department) and serve as a basis for analysis of the feasibility of the Series 2013 Sewer Warrants. These projections reflect BC's general assessment; their adjustments to the Plan of Adjustment projections:

- Address deferred maintenance and capital expenditure postponements necessitated during bankruptcy,
- Provide greater attention to the collections system (gravity sewers, force mains, manholes and pump stations) to reduce SSOs and focus on terminating the EPA Consent Decree,
- Smooth expenditures scheduled for TMDL compliance, particularly wastewater treatment plant projects required for Phase III Phosphorus removal, and
- Provide for upgrades to Information Technology (IT) to enhance operating protocols and efficiency and provide for more technologically robust capital infrastructure

6.4 Capital Improvement Program (CIP), FY 2014 - FY 2023

The Department's CIP is designed to meet specific utility needs, provide operational reliability, achieve Consent Decree compliance and termination, provide a platform for long-term sustainability, and help

¹⁸ 2004 US Government Accounting Office (GAO) Report to the Ranking Minority Member, Committee on Environment and Public Works, U.S. Senate, WATER INFRASTRUCTURE Comprehensive Asset Management Has Potential to Help Utilities Better Identify Needs and Plan Future Investments GAO-04-461

¹⁹ See Section 1.2: Scope for a discussion of BC's review and evaluations and delineation of the information upon which BC relied to develop their projections of operating expense and capital expenditure requirements used in Section 8.

ensure compliance with the Clean Water Act, the Alabama Clean Waters Act, the County's NPDES permits and other regulatory and customer service requirements. The capital program categories are consistent with the Department's operational structure and support an asset management approach. The recommended CIP is presented in Table 6-1 in constant dollar terms and in Table 6-2 in nominal dollar terms (with the application of a 3% per annum construction cost escalation rate).

6.4.1 Collection System Rehabilitation

Collection system rehabilitation includes cured-in-place liners for sewer lines requiring multiple repairs and/or pipes with heavy root intrusion. Collection system point repairs are specifically excluded from the CIP because they are not considered sufficient to substantially increase asset life. Point repairs are accounted for in the operating budgets. The recommended annual budget for collection system rehabilitation through 2016 is based on specific projects identified by the Department. Starting in 2017, the annual CIP budget of \$11.4 million/year was developed using the following basis & assumptions:

- Based on historical ESD information, 85% of ESD gravity sewers and force mains are rehabilitated, and 15% are replaced. It is assumed these trends will continue into the future. Therefore, 85% of all gravity sewers and sewer force mains in the System will be rehabilitated.
- Gravity sewers have an average life of 100 years and the estimated average ESD sewer is currently 30 years old. Therefore the average remaining pipe life used to estimate collection system rehabilitation costs is 70 years. Using this average remaining asset life and estimated unit prices for gravity sewer rehabilitation, the resulting contribution to the annual CIP budget is \$10.6 million.
- Sewer force mains have an average life of 50 years and the estimated average ESD force main is currently 20 years old. Therefore the average remaining pipe life used in sewer force main rehabilitation is 30 years. Using this average remaining asset life and estimated unit prices for sewer force main rehabilitation, the resulting contribution to the annual CIP budget is \$0.8 million.

The budget in 2014 is substantially lower than subsequent years and is warranted in light of the intense focus in 2014 on SSO abatement and capacity improvement projects budgeted in 2014 to aggressively reduce the occurrences of SSOs.

Projected expenditures in this category differ from that contemplated in the bankruptcy Plan of Adjustment. When comparing this CIP to that originally developed by the Department, the following modifications were made in this category: Starting in 2017, the annual CIP was increased from \$6.2 million/year to \$11.4 million/year. The primary factors causing this increase involved recognition that the assumed pipe life needed to account for the average age of existing infrastructure, and that a reduction in the assumed average life of sewer force mains from 100 years to 50 years is appropriate.

TABLE 6-1
 Projected Capital Expenditures, FY 2014 – FY 2023 (Constant Dollars)^{1,2}

| Project Category | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|
| Collection System Rehabilitation | \$1.0 | \$6.0 | \$6.0 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 |
| Hydraulic Model & Capacity Assurance Support | 1.8 | 1.8 | 1.8 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 |
| Capital Equipment | 0.2 | 4.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 | 2.5 |
| Manhole Rehabilitation | 0.8 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 | 1.7 |
| IT Infrastructure & Services | 0.2 | 2.5 | 2.1 | 1.7 | - | - | 0.1 | 0.6 | 0.9 | 0.8 |
| Professional Engineering Services | 2.8 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 | 3.0 |
| Pump Station Upgrades | 1.9 | 2.5 | 5.0 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 | 3.5 |
| 2015 ROW Acquisition And Participation/Expansion Program | - | 0.1 | 0.1 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Sanitary Sewer & MH Repair and Replacement | 5.6 | 13.0 | 9.6 | 10.4 | 10.4 | 10.4 | 10.4 | 10.4 | 10.4 | 10.4 |
| Sewer Line Cleaning & Television Inspection | 2.7 | 2.5 | 2.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 | 1.5 |
| SSO Abatement & Capacity Improvement Projects | 14.4 | 3.1 | 2.5 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 | 5.0 |
| WWTP Regulatory Compliance Projects | 7.4 | 17.6 | 5.0 | 1.0 | 15.0 | 81.3 | 47.5 | 15.0 | 15.0 | 15.0 |
| WWTP Repair, Replacement, & Renewal Projects | 8.5 | 4.4 | 21.1 | 14.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Total | \$47.3 | \$62.7 | \$62.9 | \$56.4 | \$64.7 | \$131.0 | \$97.3 | \$65.3 | \$65.6 | \$65.5 |

1 - All numbers in millions

2 - Slight calculation discrepancies may exist due to rounding

TABLE 6-2
Projected Capital Expenditures, FY 2014 – FY 2023 (Nominal Dollars)^{1,2}

| Project Category | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|---------------|
| Collection System Rehabilitation | \$1.0 | \$6.2 | \$6.4 | \$12.5 | \$12.8 | \$13.2 | \$13.6 | \$14.0 | \$14.4 | \$14.9 |
| Hydraulic Model & Capacity Assurance Support | 1.8 | 1.9 | 1.9 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 |
| Capital Equipment | 0.2 | 4.6 | 2.7 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 |
| Manhole Rehabilitation | 0.8 | 1.8 | 1.8 | 1.9 | 1.9 | 2.0 | 2.0 | 2.1 | 2.2 | 2.2 |
| IT Infrastructure & Services | 0.2 | 2.6 | 2.2 | 1.8 | - | - | 0.1 | 0.7 | 1.1 | 1.0 |
| Professional Engineering Services | 2.8 | 3.1 | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 | 3.7 | 3.8 | 3.9 |
| Pump Station Upgrades | 1.9 | 2.6 | 5.3 | 3.8 | 3.9 | 4.1 | 4.2 | 4.3 | 4.4 | 4.6 |
| 2015 ROW Acquisition And Participation/Expansion Program | - | 0.1 | 0.1 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 |
| Sanitary Sewer & MH Repair and Replacement | 5.6 | 13.4 | 10.2 | 11.4 | 11.7 | 12.1 | 12.4 | 12.8 | 13.2 | 13.6 |
| Sewer Line Cleaning & Television Inspection | 2.7 | 2.6 | 2.7 | 1.6 | 1.7 | 1.7 | 1.8 | 1.8 | 1.9 | 2.0 |
| SSO Abatement & Capacity Improvement Projects | 14.4 | 3.2 | 2.7 | 5.5 | 5.6 | 5.8 | 6.0 | 6.1 | 6.3 | 6.5 |
| WWTP Regulatory Compliance Projects | 7.4 | 18.1 | 5.3 | 1.1 | 16.9 | 94.2 | 56.7 | 18.4 | 19.0 | 19.6 |
| WWTP Repair, Replacement, & Renewal Projects | 8.5 | 4.5 | 22.4 | 15.3 | 11.3 | 11.6 | 11.9 | 12.3 | 12.7 | 13.0 |
| Total | \$47.3 | \$64.6 | \$66.7 | \$61.6 | \$72.8 | \$151.9 | \$116.2 | \$80.3 | \$83.1 | \$85.4 |

1 – All numbers in millions

2 – Slight calculation discrepancies may exist due to rounding

6.4.2 Hydraulic Model & Capacity Assurance Support

Hydraulic model and capacity assurance support involves development of a hydraulic model of the sewer collection system and conducting supporting collection system flow monitoring to help assess areas of significant discrepancy between theoretical collection system flows and those measured via flow monitoring. This type of evaluation is extremely beneficial in identifying specific areas of focus to address inflow/infiltration issues and SSOs.

The Department has completed collection system hydraulic modeling for four of the nine sewersheds and has five sewersheds yet to model.

The Department has moved flow monitoring to an operating expense category; the only capital element is the model development and calibration. Based on historical model development schedules and expenditures from previous modeling efforts, it is recommended that the Department include \$1,800,000/year over a three-year period to complete the modeling efforts. Once the model development & calibration for all nine sewersheds are complete, an annual budget of \$200,000 is reasonable for model upkeep.

Projected expenditures in this category differ from that contemplated in the bankruptcy Plan of Adjustment. While that originally developed by the Department included expenditures for model upkeep, it did not include development of hydraulic models for the five remaining basins. Development of the hydraulic models is considered a critical step to help mitigate specific areas of SSO occurrences or excessive I/I.

6.4.3 Capital Equipment

This cost category includes fleet equipment, software and information technology infrastructure, and process expenditures as well as small equipment items used at both the County's WWTPs and collection system facilities. The Department's planned capital equipment budget of \$2,500,000/year starting in 2016 is reasonable based on historical spending patterns. The budgets of \$200,000 and \$4,500,000 for FY 2014 and FY 2015 respectively are summations of individual capital equipment needs from the Department's 3 year CIP.

6.4.4 Manhole Rehabilitation

Manhole rehabilitation includes cured-in-place spray-on liners or similar technologies; manhole point repairs are specifically excluded from the CIP because they are not considered sufficient to substantially increase asset life.²⁰ The recommended annual budget for manhole rehabilitation from FY 2015 and beyond is based on an annual CIP budget of \$1.7 million/year and was developed using the following basis & assumptions:

- Based on historical ESD information, 73% of ESD sewer manholes will be rehabilitated and 27% will be replaced. It is assumed these trends will continue into the future, therefore 73% of all the manholes in the System will be rehabilitated.
- Sewer manholes have an average life of 100 years and the average ESD manhole is currently 30 years old. Therefore the average remaining manhole life used to estimate rehabilitation costs is 70 years. Using this average remaining asset life and estimated unit prices for manhole rehabilitation, the resulting contribution to the annual CIP budget is \$1.7 million.

²⁰ Point repairs are accounted for in the operating budgets.

Projected expenditures in this category differ from that contemplated in the bankruptcy Plan of Adjustment. While that CIP assumed manhole rehabilitation was included in the collection system rehabilitation category, though specific cost estimates for manholes versus gravity sewers and force mains were not used, this CIP uses specific calculations to develop the annual budget for manhole rehabilitation.

6.4.5 IT Infrastructure & Services

IT Infrastructure and services for the purposes of this category include IT and SCADA elements such as hardware, software, computer network infrastructure, and SCADA system standardization. Refer to Section 7 for additional information.

6.4.6 Professional Engineering Services

Professional engineering services for the purposes of this category include Program Management, Asset Management and other System-wide services.

The Department will need to enhance current project delivery capabilities substantially to be in a position to successfully execute the CIP over the 10-year planning horizon. The Department could consider the services of a program management firm to provide the needed additional resources or the Department could consider the hiring of additional staff. For the purposes of this CIP, it is assumed that the Department will retain the services of a program management firm to work as an extension of Department staff to provide the resources necessary to administer the proposed CIP. Industry norms for program management are in the range of 3% - 5% of the annual CIP.

Recognizing the urgency of ramping up the proposed CIP (because of insufficient funding during receivership and bankruptcy, Consent Decree compliance, and corresponding SSO abatement needs), program management services were added to the 2014 budget, whereas the Department proposed to initiate these services in 2015. Additionally, the Department budgeted values of \$1,000,000/year were not considered sufficient based on industry norms as well as recent experience and were increased to \$3,000,000/year (constant year dollars).

6.4.7 Pump Station Upgrades

Pump station upgrades for the purposes of this category includes all wastewater pump stations outside of the wastewater treatment plants and includes pumping equipment, associated infrastructure such as wet wells, piping, valves, and includes emergency generators for those locations having emergency power capabilities.

The Department has 177 pump stations in its System with most being associated with the wastewater collection system. For years 2014 through 2016, projected expenditure values are generated from specific projects planned by ESD. Starting in 2017, planned annual CIP expenditure of \$3.5 million/year for pump station repair, rehabilitation and replacement was developed using the following basis and assumptions:

- The average pump and equipment life is 20 years and the average age of ESD pump station equipment is assumed to be 10 years old. Therefore the average remaining pump and equipment life used to estimate upgrade costs is 10 years. Using this average remaining asset life and estimated unit prices for pump and related equipment upgrades, the resulting contribution to the annual CIP budget is \$2.3 million.

- For those pump stations having emergency generators, the average generator life is 20 years and the average age of the Department's emergency generators is 10 years old. Therefore the average remaining emergency generator life used to estimate upgrade costs is 10 years. Using this average remaining asset life and estimated unit prices for generator upgrades, the resulting contribution to the annual CIP budget is \$1.2 million.
- The average wet well (or other corresponding infrastructure) life is 50 years and the average wet well age is 20 years old. Therefore the average remaining wet well life used to estimate upgrade costs is 30 years. Using this average remaining asset life and estimated unit prices for wet well upgrade, the resulting contribution to the annual CIP budget is less than \$100,000.

6.4.8 Right of Way Acquisition and Participation/Expansion Program

The right-of-way (ROW) acquisition and participation/expansion program includes property and easement procurement funding for expansions to the System, capacity upgrades for new development and ROW purchases for new or relocated Department infrastructure.

Given that the System is relatively mature without major planned expansions over the planning horizon, the values included in the CIP are relatively modest for a utility the size of the System.

6.4.9 Sanitary Sewer & Manhole Repair and Replacement

Sanitary sewer and manhole repair and replacement expenditures primarily include open cut replacement construction and point repairs for failed or severely deteriorated sewer lines and manholes.

The CIP values for this category are based on specific projects programmed by the Department for FY 2015 and FY 2016 of \$13 million and \$9.6 million respectively. The 2014 value of \$5.6 million is estimated based on the Department's anticipated ability to ramp up in 2014 to a significantly larger program than has been accomplished in the past. The CIP values starting in 2017 are \$10.4 million/year and were developed using the following basis and assumptions:

- Based on historical ESD information, 27% of manholes will be replaced and 73% will be rehabilitated. It is assumed these trends will continue into the future, therefore 27% of all the manholes in the System will be replaced.
- Based on historical ESD information, 15% of gravity sewers and force mains will be replaced and 85% will be rehabilitated. It is assumed these trends will continue into the future, therefore 15% of all gravity sewers and sewer force mains in the System will be replaced.
- Gravity sewers and manholes have an average life of 100 years and the average Department sewer and manhole is assumed to be 30 years old. Therefore the average remaining pipe life used to estimate sanitary sewer and manhole replacement costs is 70 years. Using this average remaining asset life and estimated unit prices for gravity sewer and manhole replacement, the resulting contribution to the annual CIP budget is \$9.7 million.
- Sewer force mains have an average life of 50 years and the average Department force main is currently 20 years old. Therefore the average remaining pipe life used in sewer force main replacement is 30 years. Using this average remaining asset life and estimated unit prices for sewer force main replacement, the resulting contribution to the annual CIP budget is \$0.6 million.

Projected expenditures in this category differ from that contemplated in the bankruptcy Plan of Adjustment. Starting in 2017, the annual CIP was increased from \$7.6 million/year to \$10.4 million/year. The primary factors causing this increase involved recognition that the assumed pipe and manhole life needed to account for the average age of existing infrastructure, and that a reduction in the assumed average life of sewer force mains from 100 years to 50 years is appropriate.

6.4.10 Sewer Line Cleaning & Television Inspection (CCTV)

Sewer line cleaning and television inspection expenditures include outsourced sewer line CCTV, gravity sewer line cleaning and inspections, manhole inspections, smoke testing and other condition assessment activities associated with the gravity sewer collection system. All in-house Department activities related to sewer line cleaning and CCTV are included in the ESD operating budget.

Projected CIP expenditures for outsourced sewer line cleaning and CCTV are \$2.5 million/year for 2014 through 2016²¹ and then are projected at \$1.5 million/year thereafter. Given that the majority of recent SSOs were maintenance related, the higher near-term cost projections reflect a more substantial effort to address this situation. The basis for the \$2.5 million/year expenditure amounts are specifically planned activities to aggressively address remaining known SSO "hot spots". The \$1.5 million/year projection was developed using the following basis and assumptions:

- The average sewer cleaning and CCTV interval for pipes 12 inches in diameter and smaller is once every 10 years, with 25% of this effort outsourced. Using this average cleaning and CCTV frequency and estimated unit prices for sewer line cleaning and CCTV pipes 12 inches in diameter and smaller, the resulting contribution to the annual CIP budget is \$1.1 million.
- The average sewer cleaning and CCTV interval for pipes 13-36 inches in diameter is once every 15 years, with 55% of this effort outsourced. Using this average cleaning and CCTV frequency and estimated unit prices for sewer line cleaning and CCTV pipes 13-36 inches in diameter, the resulting contribution to the annual CIP budget is \$0.2 million.
- The average sewer cleaning and CCTV interval for pipes larger than 36 inches in diameter is once every 25 years, with 100% of this effort outsourced. Using this average cleaning and CCTV frequency and estimated unit prices for sewer line cleaning and CCTV pipes larger than 36 inches in diameter, the resulting contribution to the annual CIP budget is \$0.2 million.

Projected expenditures in this category differ from that contemplated in the bankruptcy Plan of Adjustment. That CIP assumed the Department would outsource sewer line cleaning at a lower near-term estimated cost of \$1.3 million and \$1.5 million for FY 2014 and FY 2015 respectively but projected at \$2.5 million/year for subsequent years. Recognizing the importance of sewer line maintenance to reducing future SSOs, the projected expenditure level for FY 2016 of \$2.5 million was used for FY 14 and FY 2015 reflecting prioritization of this activity. The CIP included herein reduced the outsourced sewer cleaning and CCTV budget to \$1.5 million starting in FY 2017 as described above. This reduced level of effort for outsourced sewer cleaning and CCTV work assumes the Department will continue to fully fund in-house sewer cleaning and CCTV crews and that the asset management program being implemented will allow the Department to better target sewer cleaning and CCTV activities.

²¹ FY 2014 includes approximately \$200,000 in expected expenditures that will carryover from FY 2013.

6.4.11 SSO Abatement & Capacity Improvement Projects

SSO abatement and capacity improvement projects include work focused on further eliminating recurring wet-weather sanitary sewer overflows and capacity upgrades for sewers lacking adequate capacity for existing wet weather flows.

Based on initial asset management program work, a significant number of high-priority capacity improvement projects have been identified that are intended to mitigate future SSOs. The Department has established a FY 2014 capital budget of \$14.4 million to aggressively implement capacity-related collection system projects. Projected expenditure amounts of \$3.1 million and \$2.5 million were established for FY 2015 and FY 2016 respectively based on specifically identified projects. Current dollar forecasts of expenditures for SSO abatement and capacity improvement projects are projected to be \$5.0 million/year in FY 2017 and beyond.

6.4.12 WWTP Regulatory Compliance Projects

The WWTP regulatory compliance projects include improvements at the WWTP's required (or anticipated to be required) to comply with new federal, state or regional regulations and permit requirements.

The two largest drivers of the CIP budget for WWTP regulatory compliance over the 10-year planning horizon are the total phosphorus limits scheduled for the Cahaba and Trussville WWTPs in the next 10 years. As detailed in Section 4, these plants will have to achieve effluent total phosphorus of 0.4 mg/l by April 1, 2014, 0.2 mg/l by April 1, 2016, and 0.043 mg/l by April 1, 2022. While the first two steps may be addressed using chemical treatment with existing infrastructure, treatment to 0.043 mg/l will likely require a significant modification and upgrade to the existing treatment process at each of these facilities.

The Five Mile Creek, Village Creek, Valley Creek, and Turkey Creek facilities could also be required to implement higher levels of treatment for effluent phosphorus in future permits depending on several factors including completion of TMDL studies on the receiving water bodies.

Though the total amount of projected expenditure in this category does not differ materially from that contemplated in the bankruptcy Plan of Adjustment, estimated costs have been spread over multiple years thereby dampening the impact of each project on forecasted expenditure levels for any single fiscal year. Projects having estimated construction values over \$20 million are not typically completed within a single year time frame.

6.4.13 WWTP Repair, Replacement, & Renewal Projects

The WWTP repair, replacement and renewal projects include work to maintain the reliability and functionality of the Department's nine treatment plants. These projects can include process improvements, as well as repair, replacement or renewal of aging electrical, instrumentation and mechanical systems. Projects may also involve structural work such as roof replacements or concrete repairs.

The CIP for FY 2014, FY 2015, FY 2016 and FY 2017 are \$8.5 million, \$4.4 million, \$21.1 million and \$14.0 million respectively and are based largely on historical project needs and already identified projects. Projected expenditures in FY 2018 and beyond are projected at a constant

current dollar level of \$10.0 million/year that is considered reasonable and appropriate for the size and complexity of the System.

Projected expenditures in this category differ from that contemplated in the bankruptcy Plan of Adjustment in two respects. First, major phosphorus reduction upgrade costs were spread over multiple years as noted. In addition, projected expenditures for FY 2014 were increased to reflect the County's assumed exit from bankruptcy and expenditures from ongoing projects that began in FY 2013.

6.5 Projected Capital Project Expenditures, FY 2014 – 23

The Department has developed its capital improvement program to effectively prioritize the Department's capital investments in light of prevailing financial constraints as described in Section 8. Based on the current financial circumstances surrounding the County, the Department's capital finance plan must rely on current revenues ("Pay-As-You-Go") and existing reserves (as outlined in Section 8) to fund the Department's Capital Improvement Plan (CIP) over the forecast period. Revisions to the Department's capital program have been instituted to ensure compliance with applicable environmental regulations, provide for efficient delivery of sewer services, and preserve and enhance the sewer System.

Table 6-3 presents planned sources and uses of capital project expenditures for the reporting period FY 2014 – FY 2023 in nominal dollars.

TABLE 6-3
 CIP Expenditure Requirements, Sources & Uses of Funds, FY 2014 – FY 2023

| Project Category | Projected Expenditures (Nominal Dollars) |
|--|---|
| Collection System Rehabilitation | \$108,980,000 |
| Hydraulic Model & Capacity Assurance Support | 7,238,216 |
| Capital Equipment | 28,419,698 |
| Manhole Rehabilitation | 18,588,595 |
| IT Infrastructure & Services | 9,774,583 |
| Professional Engineering Services | 34,173,644 |
| Pump Station Upgrades | 39,117,968 |
| 2015 ROW Acquisition And Participation/Expansion Program | 4,395,580 |
| Sanitary Sewer & MH Repair and Replacement | 116,260,397 |
| Sewer Line Cleaning & Television Inspection | 20,459,956 |
| SSO Abatement & Capacity Improvement Projects | 62,110,147 |
| WWTP Regulatory Compliance Projects | 256,809,866 |
| WWTP Repair, Replacement, & Renewal Projects | 123,517,924 |
| Total Uses of Funds | \$829,846,573 |

TABLE 6-3
CIP Expenditure Requirements, Sources & Uses of Funds, FY 2014 – FY 2023

| Project Category | Projected Expenditures (Nominal Dollars) |
|--|---|
| Funding Sources | |
| Current Revenues | \$669,000,000 |
| Existing Capital Reserves ¹ | 160,846,573 |
| Total Sources of Funds | \$829,846,573 |

1 - Excludes \$10.7 million in existing capital reserves used for FY 2013 capital expenditures and \$0.5 million in reserves that will remain (unused) in the Capital Improvement Fund at the end of FY 2023.

7.0 Information Technology (IT) Review

7.1 Overview

Information Technology (IT) exists to enable business and operational processes of the organization. Since information systems are integral to achieving business objectives, it is informative to link the role of specific information systems to the financial objectives of the organization. The Information Systems Audit and Control Association's CoBIT Governance Framework serves as a generally accepted standard for the governance of information related technologies and links organizational objectives with IT objectives.²² All investments in IT are assessed in terms of their ability to support the following:

- Revenue Assurance
- Efficient and Effective Operations
- Service Delivery Quality
- Compliance with Laws and Regulations
- Asset Management and Safeguarding
- Risk Identification and Management
- Reliable Financial Reporting

These business drivers or objectives reflect the financial responsibility of organization leaders and are supported by IT objectives of:

- Efficiency of IT operations
- Effectiveness of IT operations
- Confidentiality of data/information
- Integrity of data/information
- Availability of IT assets
- Compliance with information related regulations (privacy),
- Reliability of systems and information

7.2 ESD Information Systems Management Responsibilities

The Department's IT staff perform the following duties for IT assets that are the direct responsibility of the Department:

- **Computer Hardware**
 - Install, maintain and support all ESD desktop computers.
 - Install, maintain and support all servers and associated storage that are required for the operation of the wastewater treatment plants.
 - Perform backup operations of critical systems on the wastewater treatment domain.

²² This framework has also been adopted by the Association of State Chief Information Officers.

- Monitor critical servers and applications using monitoring software provided by the County's IT Department.
- Prepare budget and hardware replacement schedules.
- Identify organizational needs and define projects to meet those needs.
- Design the technology environment and technical architecture for the wastewater treatment plants.
- **Software**
 - Install and support server applications that are used for wastewater treatment operations (e.g. SCADA software and supporting applications).
 - Test and release software updates for the wastewater treatment domain.²³
 - Perform installation and software support for all desktop applications within the Department.
 - Prepare software support contracts for applications owned by the Department.
- **Network Infrastructure**
 - Install, maintain and support all network switches, routers and other related communications devices within the Department.
 - Prepare budget and network hardware replacement schedules.
 - Design and develop architecture for infrastructure based on emerging technologies and department requirements.
 - Maintain and support cable plant at the wastewater treatment plants including fiber optic testing and troubleshooting.
- **User Support**
 - Provide technical support for Department users with hardware and software problems.
 - Perform as a liaison between the Department and the County's IT Department.

7.3 Current State of Departmental Information Systems Assets

In addition to the common services and software applications provided by the County's IT Department (e.g., SAP Financials), ESD is directly responsible for several enterprise level systems and a number of standalone databases. In some cases the standalone databases may be consolidated into the functionality or configuration of other applications (e.g., integration of customer data, CMMS, GIS, hydraulic modeling, and overlay of GIS and reporting). Table 7-1 below provides an overview of the current status of the Department's managed applications along with considerations for future deployment. The organization's forthcoming Information Systems Master Plan will provide a business case evaluation and roadmap of proposed projects to support effective accomplishment of utility objectives.

²³ This is a segregated domain for security purposes that is for the sole use of wastewater treatment operations.

TABLE 7-1
Department Managed Information System Assets

| System/ Database | Architecture / Database/ Platform | Version | Issues | Future State Considerations |
|--|-----------------------------------|--------------------------|--|---|
| Impact Connection Database | Oracle | Oracle v10.2 | Not integrated. Used to charge impact fees | Integration of CIS, CMMS, GIS to support elimination of this specialty database |
| Private Meter/Secondary Meter Database | Oracle | Oracle v10.2 | Need to update the application. Moved from one price to a tiered structure Desire to Convert to SQL. (IT wants to move others to SQL) | Integration of CIS, CMMS, GIS to support elimination of this specialty database |
| Plans Review Database | Oracle | Oracle v 9.2 | Private Development Sewer infrastructure Management System. No plan to change right now but would like to move to SQL | Eliminate separate database. Consider COTS GIS solution and workflow to manage the plan review process. |
| SSO Database | Access | Access v .mdb (pre 2007) | Limited codes/causes, No GIS linkage, graphs a challenge | Configuration of existing CMMS, integration of GIS, and leverage of business intelligence provides a spatial BI platform for ongoing reporting and trending to support management and regulatory reporting. |
| CIP Data | Spreadsheets/MS Project | MS Office MS Project | Financials not tied to schedule, financials, etc. | Implementation of MS Project Server, Document Management, and BI related technology to support CIP. Integration back to chart of accounts to improve efficiency. Solutions are available as integrated COTS, separate COTS solutions to be integrated, and prepackaged in the cloud. |
| Capacity Assurance | SQL | SQL v 2005 | Not integrated with hydraulic model, Used to determine the required capacity | Eliminate through the integration of InfoWorks, Hydraulic models, CMMS, and SSO data |
| InfoWorks | SQL or Oracle | SQL v 2008 | Infrastructure network modeling: No issue noted | Deploy and integrate with other applications for improved decision support |
| Plant CMMS | Infor EAM – SQL Server | V 8.4 SQL v 2008 | Application not currently deployed with labor and materials costs | Continued business process integration ... include maintenance costs through enhanced configuration |
| Collection/ Conveyance CMMS | Azteca Cityworks | V4.5 sp6 SQL v 2008 R2 | Application not currently deployed with labor and materials costs. Currently contracting to move to latest release. | Upgrade to latest version to gain functionality and then further integrate supported business processes; include maintenance costs through enhanced configuration |
| CIS Billing | COBOL | Legacy COBOL Compiler | Currently billing Trussville. Legacy application. New CIS planned. | Conduct ITMP/requirements definition and potentially, procure, configure, and integrate new CIS billing application |
| GIS | ESRI/SQL | ESRI 9.3.1 / SQL 2008 R2 | Application deployed as a map production operation with counter services. Not currently integrated into the core business processes of the utility | Integrate GIS with core utility software business and operations applications (CIS, CMMS, models, etc.) to support decision-making and to extend the level of customer service to 24X7 with self-service options to improve customer response. Implement system improvements to collect accurate information for access at a touch. |

TABLE 7-1
Department Managed Information System Assets

| System/ Database | Architecture / Database/ Platform | Version | Issues | Future State Considerations |
|--------------------|---|--|---|--|
| CADD | Survey - Carlson Survey with built-in AutoCad Carlson Civil with Built-in AutoCad AutoCad LT 2014 Micro Station Plans Review - AutoCAD version 2010 | v2006 v2006 v2014 v8 v2010 English 3 with 2011 update | Too many CADD applications. | Standardize and consolidate platform. Leverage standards for digital delivery from engineering and construction projects. |
| IT Infrastructure | CISCO | Firmware versions: 6000 series switches IOS (tm) c6sup2_rp-Software (c6sup2_rp-JK2SV-M), Version 12.1(26)E8, RELEASE SOFTWARE (fc1) WS-C6509 Software, Version NmpSW: 8.5(9) 4000 series switches: Cisco IOS Software, Catalyst 4500 L3 Switch Software (cat4500-ENTSERVICESK9-M), Version 12.2(50)SG1, RELEASE SOFTWARE (fc2) Cisco IOS Software, Catalyst 4000 L3 Switch Software (cat4000-ISK91S-M), Version 12.2(25)EWA8, RELEASE SOFTWARE (fc1) | Strong network architecture standardized on the Cisco platform. (Network and Firewalls) Need vendor diversification for firewalls and intrusion prevention to reduce the chance that an exploitation of one is effective on the other. | Continue to perform good lifecycle management. Maintain strong security posture through physical, procedural, and technical, controls. Diversify firewalls in the network architecture |
| Network Management | Intrusion Prevention – Cisco Network Engineering Tools – Solar Winds Orion Proxy Servers – BlueCoat | Cisco Intrusion Prevention v7.1(6)E4 SWOrion NPM v10.5 Bluecoat v6.2.12.3 | Need vendor diversification for firewalls and intrusion prevention to reduce the chance that an exploitation of one is effective on the other. | Continue to perform good lifecycle management of these assets network management applications and hardware. Monitor for vulnerabilities on an annual basis. |

TABLE 7-1
Department Managed Information System Assets

| System/ Database | Architecture / Database/ Platform | Version | Issues | Future State Considerations |
|--------------------|--|---|--|--|
| Enterprise Storage | EMC | VNX5300 (Unified) | No issues noted | Continue to perform good lifecycle management of enterprise storage assets and monitor for vulnerabilities on an annual basis. |
| Servers | Dell/IBM | These services are typical for all 10 sites: LDAP, DNS, DHCP, NPS, CIFS, NFS, NTP, Print, AntiVirus & LWAPP ESDIT only utilizes rack mount servers. VMWare ESXi v5.1 | No issues noted. Leverage virtualization to improve efficiency | Maintain strong security posture through physical, procedural, and technical, controls. |
| SCADA | United Controls SCADA Vision and a host of other heterogeneous solutions over time. WIN911 - SQL | SCADAVision v6.06.62, v6.8.75, 6.9.87 & v6.9.96 CltectSCADA v7.2 Win911 v4.3 (SQL 2008R2) TopView v6.16.0 Win911 v7.12 | Current state impedes efficient and effective management of the utility. | Standardize on a new platform and implement operations strategy that goes beyond alarms to include strong control capabilities. American Water Study also recommended revamp of the entire SCADA system due to focus primarily on alarms and reliability issues. |

7.4 Information Technology Requirements

Given the current inventory of Information System assets as presented in Table 7-1, an assessment was undertaken of prospective IT requirements to enable the County to efficiently and effectively operate, maintain and upgrade its System consistent with industry trends and best practices. This assessment was informed by a review of the Department's historical budgeting for IT resources. The Department's recent budgeting history for IT assets is presented in Table 7-2 below:

TABLE 7-2
Information System Related Asset Budgets, FY 2011 – FY 2013

| Budget Line Item | Description | FY 2011 | FY 2012 | FY2013 |
|------------------|--|------------------|------------------|--------------------|
| 520200 | Data Processing Equipment and Supplies | \$196,200 | \$196,200 | \$576,000 |
| 520250 | Software Licenses | \$64,000 | \$64,000 | \$41,700 |
| 511900 | Software Maintenance | \$52,000 | \$52,000 | \$76,000 |
| 514700 | Data Processing Services | \$96,000 | \$96,000 | \$34,000 |
| 518030 | Lease-Office Equipment | \$14,000 | \$14,000 | \$14,000 |
| 510200 | Telecomm Wired | \$173,050 | \$152,175 | \$141,525 |
| 510205 | Telephone Long Distance | \$2,045 | \$1,868 | \$1,840 |
| 510215 | Telephone Data Lines | \$32,758 | \$32,105 | \$32,105 |
| 510220 | Cellular Phone Service | \$151,250 | \$189,870 | \$190,620 |
| 510210 | Telephone Service Charges | \$575 | \$325 | \$300 |
| Total | | \$781,878 | \$798,543 | \$1,108,090 |

Historical IT budgets are not adequate to support ongoing replenishment of technology to avoid risks created by obsolescence. In most cases the application of technology also does not take full advantage of available efficiency and effectiveness improvement opportunities.²⁴ The Department has the opportunity to further use technology to support critical decisions related to compliance, service delivery, and operational risk identification. The current IT budget is primarily focused on infrastructure maintenance rather than increased operational efficiency and effectiveness.

7.4.1 Budgetary Components

The IT-related expense projections provide a holistic view of IT related budgetary needs²⁵ based on best practices²⁶ and information from peer organizations such as the Northeast Ohio Regional Sewer District (NEORS), and Louisville Kentucky MSD. In every case, comparisons considered differences in organizational culture and the resulting alignment of authority, accountability, and responsibility for the management of Information related assets. The following budget categories as defined in Computer

²⁴ For example, with respect to billing services, substantial improvement may be achieved by addressing inefficiencies in the logistics of getting billing information to customers, and receiving and processing payments through deposit. These cost factors impact the inbound and outbound logistics of data into a Customer Service and Billing System.

²⁵ Some IT related expenses are combined in operational budgets and not visible within the current budget structure.

²⁶ IT Spending and Staffing Benchmarks 2013/2014, Chapter 7 – Utility Industry, page 7-10 Computer Economics Incorporated, 2013

Economics' annual benchmarking study²⁷ were used as a basis for assessment along with benchmarking metrics for the utility industry.

- IT Personnel
- Application/Database Software
- Servers and Storage
- Data Center Software
- Business Continuity
- Energy and Utilities
- IT Facilities/Floor space
- Network Infrastructure
- Carrier Service
- Security
- PC's and Smart Phones
- Printers
- Other
- Billing Related Services to BWSSB
- New Billing Services (Bill image processing, envelope stuffing, and mailing)

7.4.2 Incremental Operating Expenses

IT-related Operating Expenses represent incremental costs above the currently defined budgets for the Department. Three components of the incremental OPEX cost projections are presented in current dollars in Table 5-1 and include:

1. Incremental labor to support a new CIS and Billing System implementation and operation beginning in FY 2017. The incremental expense is \$107,000, which increases the labor budget from \$333,000 to \$440,000.
2. \$150,000 for bi-annual security vulnerability assessment for the Department's managed computer systems, web applications, and communications infrastructure. Beginning in FY 2014, it is assumed that the Department will set aside \$75,000 per year to account for the timing of this expense over the forecast period. Vulnerability assessment needs are discussed further in Section 7.6.
3. Billing System and Professional Services of \$1,750,000 distributed across FY 2014- FY 2017 and Application/Database Software expenses of \$100,000 beginning in FY 2017 are projected to perform Information System planning services and specifically to support the implementation and support of a new CIS and billing system.

For the projections of financial performance presented in Section 8, IT-related operating expenses are escalated at 3.0% per annum over the forecast period. These incremental IT-related expenses are driven by the following requirements:

1. License Fees for Software Applications - fees charged by software vendors for use of their intellectual property. COTS applications remain the property of the software vendor. License fees may be by named user or the use may be metered for a set number of concurrent users.
 - a) Plant asset management (vertical assets)

²⁷ IT Spending and Staffing Benchmarks 2013/2014, Chapter 7 – Utility Industry, page 7-20, Computer Economics Incorporated, 2013.

- b) Conveyance system asset management (horizontal assets)
 - c) Geographic Information System software and supporting web applications
 - d) Laboratory Information Management Software
 - e) SCADA/Process control software
 - f) Database software
2. Software Maintenance Fees – fees required by software vendors to provide operational and security patches and general updates to software over time (may not include the cost of major upgrades)
 - a) COTS Applications
 - b) Database Software
 3. Maintenance Fees Hardware – fees required by network hardware vendors and/or value added resellers to support operational and security patches for communications switching, routing, firewall, and intrusion detection/management infrastructure.
 4. IT Related Services – includes a number of services such as strategic planning, requirements definition and business process analysis, project management, software implementation, data migration, cutover to production services, and ongoing application management.
 5. Security Related Services – includes services required for third party assessment of systems and communications systems vulnerabilities.
 6. Office Equipment Lease(s) – leases of desktops, laptops, plotters, printers, and copiers.

7.4.3 Capital Expenditures

Projected capital expenditures (CAPEX) include costs for the acquisition of specific IT assets and services required for the System's overall IT architecture.²⁸ Projected IT-related CAPEX expenditures are driven by the follow requirements:

1. Software Applications - Upgrade and/or implementation costs for software applications:
 - a) Azteca Cityworks
 - b) Inform EAM
 - c) Customer Information and Billing System
 - d) SCADA Software
 - e) Call Management Software and supporting tools
2. Network Communications - Ongoing lifecycle management of the communications infrastructure to support administrative computing and real-time SCADA operational processes. The CAPEX

²⁸ Within the IT governance model, the key decision-making (authority) and responsibility for funding and managing IT assets is described along a continuum of "workgroup freedom" or decentralization versus centralization. The governance model for IT at Jefferson County can be described as leaning heavily toward decentralization or freedom. The Department does have some latitude to procure services from solution and service providers to shift some CAPEX costs to OPEX. (e.g., leasing, managed services, cloud delivery). Source: Society for Information Management.

projections for this category provides for upgrades, risk mitigation, and projects that support further communications and software application convergence (e.g. computer telephony integration to automate and reduce time to identify and service a customer and self-service processes which extend customer service processes to 24 X 7 availability).

3. SCADA Upgrade and Standardization - Complete upgrade of legacy SCADA/process control software and infrastructure and standardization across plants to improve System efficiency and effectiveness. This project has been prioritized to occur early in the planning horizon, and costs re-estimated, due to the utility's current decentralized alarm-based deployment. A recent study by American Water indicates that the System is not in alignment with industry norms and practices and the current System does not support centralized management to help lower costs. Projected expenditures are based on holistic, standardized implementation rather than previously contemplated plant level only installations that can lead to issues with interoperability, undue complexity and inefficiencies.
4. Capitalized Services - Professional services required to implement new IT assets are included in the capital expenditure projections for these assets (e.g., CIS and Billing System, SCADA, network) which include requirements definition, acquisition, and implementation of new IT Assets:
 - a) IS/IT Master Plan
 - b) Business Process Analysis and design
 - c) Requirements definition
 - d) Procurement support services
 - e) Detailed design
 - f) Data migration (where applicable)
 - g) Configuration and testing
 - h) Cutover to Production

IT CAPEX costs are provided as base year costs. For the projections of financial performance presented in Section 8, IT-related Operating expenses are escalated at 3.0% per annum over the forecast period.

7.5 Projected IT-Related Incremental Operating and Capital Expenses

The projected incremental IT-related operating and capital expenses (current dollars) presented in Tables 7-3 and 7-4 below are customary. However, the Department has several key decisions to make regarding its deployment of IT systems after detailed analyses are conducted. Some of these decisions may enable reclassification of projected capital expenditures to operating expenses provided suitable solutions can be identified in lieu of direct capital outlays. This is the case with respect to the projected CIS and Billing project discussed below in Section 7.6. Nevertheless, the Department's needs are fundamental in areas such as the management of customer accounts and inquiries, upgrading asset management related systems, and self-service GIS. These changes are required if the organization is to become more efficient and effective in its operation. The incremental operating expense budget for security is to improve the Department's security posture given the dual role that it shares with County IT in the management of significant systems for the organization.

TABLE 7-3
Incremental Operating Expenses for Information Technology, FY 2014 – FY 2023 (Current Dollars)

| Incremental IT OPEX | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| IT Personnel | \$0 | \$0 | \$0 | \$107,000 | \$107,000 | \$107,000 | \$107,000 | \$107,000 | \$107,000 | \$107,000 |
| Application/Database Software* | \$0 | \$0 | \$0 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 | \$100,000 |
| Security | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 | \$75,000 |
| Billing System & Professional Services | \$550,000 | \$200,000 | \$500,000 | \$500,000 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Incremental OPEX | \$625,000 | \$275,000 | \$575,000 | \$782,000 | \$282,000 | \$282,000 | \$282,000 | \$282,000 | \$282,000 | \$282,000 |

* (Azteca Cityworks, Infor EAM, SCADA, GIS, Oracle, SQL, other tools)

TABLE 7-4
 Capital Expenses for Information Technology, FY 2014 – FY 2023 (Current Dollars)*

| IT CAPEX | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---|------------------|--------------------|--------------------|--------------------|------------|------------|------------------|------------------|------------------|------------------|
| IT Personnel | | | | | | | | | | |
| Application/ Database Software | \$80,000 | \$500,000 | \$300,000 | \$100,000 | | | | | | |
| Servers and Storage | | | \$750,000 | | | | | | | \$630,000 |
| Data Center Software | \$20,000 | | | \$20,000 | | | \$20,000 | | | \$20,000 |
| Network Infrastructure | | | | \$400,000 | | | | \$600,000 | \$850,000 | |
| Security | \$100,000 | | | \$100,000 | | | \$100,000 | | | \$100,000 |
| Printers and Plotters | | | | \$50,000 | | | | | \$50,000 | |
| SCADA Standardized Platform Implementation | | \$2,000,000 | \$1,000,000 | \$1,000,000 | | | | | | |
| Total CAPEX | \$200,000 | \$2,500,000 | \$2,050,000 | \$1,670,000 | \$0 | \$0 | \$120,000 | \$600,000 | \$900,000 | \$750,000 |

* Utility billing estimates are derived from vendor quote with a pricing risk/contingency factor built in for licensing, maintenance, and professional services

7.6 Cyber Security Posture and Potential Cyber Security Regulation

7.6.1 Cyber Security Posture

OPEX budgets were increased to include bi-annual comprehensive independent vulnerability assessments of the information related assets. This assessment is comprised of a review of the administrative, operational, and technical controls required to ensure the confidentiality, integrity, and availability of information system related assets. This increase in operating expense is not directly driven by a specific regulatory compliance requirement; however, organizations are expected to follow a standard of due care in the management of information related assets. In the same manner that organizations audit internal controls and financials on a recurring basis, the assessment of information related asset vulnerabilities should be a component of an overall system of controls for managing IT. In addition, to this independent vulnerability assessment review, the Department should conduct frequent vulnerability scans of its various IT components. The key IT assets that should be scanned are shown in Table 7-5:

TABLE 7-5
Key IT Assets

| Asset | Frequency | Scanned for |
|------------------------------------|-------------|---|
| Remote Access, Wireless, VPN | Monthly | Unauthorized devices, unauthorized or improperly configured connectivity, poor security, non-compliance, default administrator and guest accounts, policy enforcement, changed requirements, etc. |
| Network | Quarterly | Application, network, and operating system vulnerabilities, configuration errors, unauthorized access points |
| Infrastructure Systems and Devices | Quarterly | Configuration, poor security, non-compliance, policy enforcement, required patches/service packs, changed requirements, unauthorized devices and connections, password compliance (blank or "out of the box" passwords), default administrator and guest accounts, etc. |
| Software | Semi-annual | Unauthorized software; patch compliance |
| Web Sites | Semi-annual | Configuration, poor security, non-compliance, policy enforcement, changed requirements, etc. |
| Applications Databases | Semi-annual | Known and common vulnerabilities, patch compliance, password compliance |

Source: State Government Policy - State of Alabama IT Policy 672-00

7.6.2 Potential Cyber Security Regulation

Operating software applications containing customer financial information and payment methods bring with it increased responsibility for privacy and security. Systems used to process credit and debit card transactions or that contains bank routing and account data must be protected. Since the State of California's leadership in 2002, forty six (46) states, the District of Columbia, and the governments of Puerto Rico, and the US Virgin Islands have data breach laws which requires all entities with information systems storing personal consumer data to report cyber security incidents and data breaches "in the most expedient timeframe and without unreasonable delay". To date, Alabama, Kentucky, New Mexico, and South Dakota have not enacted such laws.²⁹ With the exponential increase in cyber threats to administrative and SCADA networks associated with the nation's utilities/critical infrastructure, there is a significant likelihood that pressure will increase during the forecast period to enact similar regulations in the remaining states where no such requirement exists.

²⁹ Dennis, Corey M., "Data Security Laws and the Rising Cyber Security Debate", Association of Corporate Counsel, January 28, 2013.

8.0 Financial Performance

8.1 Overview

The atypical historical financial performance of the County's sanitary sewer system reflects the acute impacts of fraudulent costs incurred following the entry of the System's Consent Orders in the late 1990s, and the series of unexpected events in the capital markets that ultimately led to the County filing for bankruptcy protection in November 2011.³⁰ These circumstances have overshadowed the County's more typical, yet still pronounced, System challenges associated with financing capital improvements required for compliance with Consent Orders, revenue impacts associated with service area economic dynamics, and atypical weather patterns.

Prospectively, the System will continue to face challenges associated with compliance with continuing and increasingly stringent regulatory requirements, System renewal and rehabilitation needs, and efficient and effective utility service delivery. These challenges are compounded by personnel management constraints arising out of federal Consent Decree requirements related to the County's hiring practices (as described briefly in Section 2.4) and by prospective debt service requirements associated with the Series 2013 Sewer Warrants that are structured to increase over the 40-year repayment period. Nevertheless, with the substantial reduction in principal contemplated by the County's bankruptcy Plan of Adjustment and planned System rate revenue increases, the Series 2013 Sewer Warrants are financially feasible.

This section presents an overview of historical financial performance, utility rate adjustments and bill comparisons, and projected financial performance for the period FY 2013 through FY 2023.^{31,32} Projections have been developed using a combination of financial planning and revenue forecasting models designed to represent utility cash flows under alternative assumptions related to projected operations and maintenance and capital expenses, planned rate increases, and assumed debt repayment schedules.

8.2 Historical Performance

Table 8-1 presents a brief overview of the financial performance of the Department from FY 2007 through FY 2012 as reflected in the Department's audited financial statements.³³

³⁰ See generally *Jefferson County's Memorandum In Support of Eligibility*, pp. 17-34, filed in *In re Jefferson County, Alabama*, Case No. 11-05736-TBB9, United States Bankruptcy Court for the Northern District of Alabama, Nov. 9, 2011.

³¹ The County's fiscal year runs from October 1 through September 30.

³² The forecast period includes FY 2013 plus ten years.

³³ Jefferson County Commission, Audited Financial Statements, FY 2007 through FY 2012.

TABLE 8-1
 Historical System Operating Results, FY 2007 – FY 2012^{1,2,3}

| | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 |
|---|------------------|------------------|------------------|------------------|--------------------|------------------|
| Service Revenue | \$152,981 | \$158,590 | \$159,952 | \$152,403 | \$154,302 | \$152,907 |
| Taxes | 5,325 | 5,758 | 5,969 | 5,916 | 4,702 ⁴ | 5,841 |
| Intergovernmental | 100 | 101 | 102 | 102 | 103 | 104 |
| Other Operating Revenue | 168 | 861 | 250 | 83 | 4,109 ⁵ | 678 |
| Total Operating Revenue | \$158,574 | \$165,310 | \$166,273 | \$158,504 | \$163,216 | \$159,530 |
| Operating Expenses ⁶ | 54,636 | 54,404 | 57,940 | 58,913 | 60,730 | 58,051 |
| Net Revenue Available for Debt Service | \$103,938 | \$110,906 | \$108,333 | \$99,591 | \$102,486 | \$101,479 |
| Prior Scheduled Debt Service⁷ | \$131,834 | \$131,851 | \$139,920 | \$147,962 | \$154,971 | \$154,879 |

1 - All numbers in thousands

2 - Slight calculation discrepancies may exist due to rounding

3 - Information based on audited financial statements of the Jefferson County Commission

4 - Includes audit adjustment of (\$0.9) million for General Fund commissions related to tax collections

5 - Includes \$3.7 million of insurance payments related to tornado storm-damaged sewer facilities

6 - Includes direct and indirect expense but excludes depreciation

7 - Total expected scheduled debt service requirements as of August 2003 (Source: Official Statement for the County's Sewer Revenue Refunding Warrants, Series 2003-C, DEBT SERVICE REQUIREMENTS AND COVERAGE table, page 36)

Service revenues decreased slightly over the reporting period, from \$153.0 million in FY 2007 to \$152.9 million in FY 2012, a decrease of less than 0.1%. Service revenues varied from a high of \$160.0 million in FY 2009 to a low of \$152.4 million in FY 2010. The increase in service revenues in FY 2008 and FY 2009 can be attributed to a 7.7% increase in the sewer volume charge at the beginning of FY 2008. Subsequent declines in service revenues may be attributed to declines in the number of accounts served and consumption—attributed to a variety of factors including economic dynamics in the County, weather patterns, and water conservation practices. Tax revenues, which include ad valorem collections on property and motor vehicles, increased 9.7%, from \$5.3 million in FY 2007 to \$5.8 million in FY 2012. Intergovernmental revenue, which represents the Department's share of business privilege tax revenues³⁴ received by the County, has increased approximately 4.0% over the reporting period. Other operating revenue increased from \$0.2 million in FY 2007 to \$0.7 million in FY 2012. Total Operating Revenues increased 0.6%, from \$158.6 million in FY 2007 to \$159.5 million in FY 2012.

Over the same time period, O&M expenses of the System increased 6.3%, from \$54.6 million to \$58.1 million. As a consequence, net revenues available for debt service decreased from \$103.9 million to \$101.5 million, a reduction of 2.4%.

The Department's minimum parity debt service coverage requirement per its then-current Trust Indenture was 80% for periods prior to FY 2008 and 100% for fiscal years 2008 and thereafter.³⁵ In

³⁴ Local funds received annually from the State of Alabama to replace the franchise tax and the property tax on shares of stock of domestic corporations.

³⁵ See Section 12.5 of the County's original sewer warrant indenture.

FY 2008, the financial crisis and other economic factors precipitated rating downgrades of the bond insurers that were providing credit enhancement for the Department's outstanding sewer warrants, causing various holders of the County's variable rate demand obligations to exercise their rights to tender those warrants to liquidity banks. When efforts to re-market those warrants failed, the liquidity banks held the warrants as "bank warrants" under the terms of certain Standby Warrant Purchase Agreements the County had entered into with the liquidity banks. The conversion of those variable rate demand obligations to "bank warrants" caused a significant portion of the outstanding sewer debt to become payable over three or four years rather than over the remaining 34-year maturity schedule, thereby accelerating the debt service payments on those warrants. Table 8-1 presents the expected scheduled debt service requirements for FY 2007-2012, as of August 2003, for the Department's then-outstanding debt. The expected scheduled debt service requirements provided in Table 8-1 do not reflect the acceleration of the variable rate demand obligations described above or other effects of the FY 2008 financial crisis on the Department's outstanding debt.

8.3 Fund Structure

The Indenture establishes various funds and accounts, the principal ones of which are outlined below. Capitalized terms used and not otherwise defined herein or elsewhere in this report shall have the meaning given to them in the Indenture.

8.3.1 Revenue Fund

The Trustee, under the Indenture, holds the Revenue Fund. All System Revenues will be deposited in the Revenue Fund promptly as received by the County. Payments and transfers may be made from the Revenue Fund as summarized below.

8.3.2 Senior Lien Debt Service Funds

The Trustee holds each Senior Lien Debt Service Fund for the benefit of the Holders of the Senior Lien Obligations (as defined in the Indenture). Money in each Senior Lien Debt Service Fund shall be applied by the Trustee to pay Debt Service on the Senior Lien Obligations. Deposits are made in each Senior Lien Debt Service Fund from the Revenue Fund, as set forth and described in the Indenture.

8.3.3 Subordinate Lien Debt Service Funds

The Trustee holds each Subordinate Lien Debt Service Fund for the benefit of the Holders of Subordinate Lien Obligations. Money in each Subordinate Lien Debt Service Fund shall be applied by the Trustee to pay Debt Service on the Subordinate Lien Obligations. Deposits are made in each Subordinate Lien Debt Service Fund from the Revenue Fund, as set forth and described in the Indenture.

8.3.4 Operating Account

The Operating Account is maintained by the County in its own name with a bank or financial institution selected by the County. On or before the twenty-fifth day of each month, the Trustee shall transfer money to the Operating Account from the Revenue Fund in an amount, if any, required to make the balance in the Operating Account equal to the Required Operating Reserve. The County shall use money in the Operating Account solely for the payment of Operating Expenses. If an Indenture Default exists, the Trustee may direct the County to transfer possession and control of the Operating Account to the Trustee.

8.3.5 Senior Lien Reserve Funds

The Trustee holds each Senior Lien Reserve Fund for the benefit of the Holders of the Senior Lien Obligations. On the date of issuance of the Series 2013 Senior Lien Obligations, the County shall deliver to the Trustee the Series 2013 Senior Lien Reserve Fund Letter of Credit. The Series 2013 Senior Lien Reserve Fund Letter of Credit shall be part of the Series 2013 Senior Lien Reserve Fund. Withdrawals from the Senior Lien Reserve Funds are made at varying times in the event funds in the Senior Lien Debt Service Funds are insufficient to timely pay debt service on Senior Lien Obligations as more particularly described in the Indenture.

8.3.6 Subordinate Lien Reserve Funds

The Trustee holds each Subordinate Lien Reserve Fund for the benefit of the Holders of the Subordinate Lien Obligations. On the date of issuance of the Series 2013 Subordinate Lien Obligations, the County shall deliver to the Trustee the Series 2013 Subordinate Lien Reserve Fund Letter of Credit. The Series 2013 Subordinate Lien Reserve Fund Letter of Credit shall be part of the Series 2013 Subordinate Lien Reserve Fund. Withdrawals from the Subordinate Lien Reserve Funds are made at varying times in the event funds in the Subordinate Lien Debt Service Funds are insufficient to timely pay debt service on Subordinate Lien Obligations as more particularly described in the Indenture.

8.3.7 Capital Improvement Fund

The Trustee is the depository, custodian and disbursing agent for the Capital Improvement Fund. The Capital Improvement Fund is part of the General Trust Estate pledged to secure payment of the Warrants and Holders of other Secured Obligations. Money in the Capital Improvement Fund may be used for the following purposes:

1. If no Indenture Default exists, the County may withdraw money from the Capital Improvement Fund from time to time for the purpose of paying (A) costs of Capital Improvements to the System, (B) the purchase price of Secured Obligations purchased pursuant to the provisions of Section 6.2 of the Indenture, (C) the purchase price of Callable Warrants purchased in lieu of optional redemption pursuant to the provisions of Section 7.9 of the Indenture, (D) amounts needed for optional redemption of Secured Obligations, or (E) amounts necessary to pay Rebate Liability.
2. If money on deposit with the Trustee in the related Debt Service Fund is not sufficient for the timely payment of Debt Service due on Secured Obligations, the Trustee may transfer money from the Capital Improvement Fund to the related Debt Service Fund to the extent necessary for payment of such Debt Service.
3. If money on deposit in the Operating Account is not sufficient for the timely payment of Operating Expenses, the County may direct the Trustee to transfer money from the Capital Improvement Fund to the Operating Account for the payment of Operating Expenses.
4. On the date of issuance of any Secured Obligations, the County may direct the Trustee to transfer money from the Capital Improvement Fund to any related Secured Obligation Reserve Fund, subject to the terms and conditions of Section 8.2(a)(1)(G) of the Indenture.

8.3.8 Costs of Issuance Fund

The Trustee holds the Costs of Issuance Fund. Money on deposit in the Costs of Issuance Fund shall be paid by the Trustee from time to time for the purpose of paying Costs of Issuance with respect to Secured Obligations.

8.4 Flow of Funds

System Revenues in the Revenue Fund shall be applied in each calendar month as follows, in the order of priority indicated:

1. First, the Trustee shall deposit in each Senior Lien Debt Service Fund the amount required by Section 9.3 of the Indenture for the payment of Debt Service due on Senior Lien Obligations.
2. Second, the Trustee shall (i) pay fees and expenses of the Trustee, (ii) at the direction of the County, pay fees due during such month with respect to Credit Enhancement for Senior Lien Obligations, and (iii) at the direction of the County, pay fees during such month to remarketing agents or entities performing similar functions with respect to Senior Lien Obligations. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all payments required by this paragraph, such payments shall be made on a proportionate basis.
3. Third, the Trustee shall deposit in each Subordinate Lien Debt Service Fund the amount required by Section 9.4 of the Indenture for the payment of Debt Service due on Subordinate Lien Obligations.
4. Fourth, the Trustee, at the County's direction, shall (i) pay fees and other amounts due during such month with respect to Credit Enhancement for Subordinate Lien Obligations and (ii) pay fees during such month to remarketing agents or entities performing similar functions with respect to Subordinate Lien Obligations. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all payments required by this paragraph, such payments shall be made on a proportionate basis.
5. Fifth, the Trustee shall deposit in the Operating Account the amount required to make the balance in the Operating Account equal to the Required Operating Reserve.
6. Sixth, the Trustee shall deposit in each Senior Lien Reserve Fund the amount required by Section 9.6 of the Indenture or by the related Supplemental Indenture to accumulate, maintain or restore the required balance in such Senior Lien Reserve Fund, subject to the terms and conditions of Section 8.2(a)(1)(G) and Section 9.6(d) of the Indenture. If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits required by this paragraph, deposits to each Senior Lien Reserve Fund shall be made on a proportionate basis.
7. Seventh, the Trustee shall deposit in each Subordinate Lien Reserve Fund the amount required by Section 9.7 of the Indenture or by the related Supplemental Indenture to accumulate, maintain or restore the required balance in such Subordinate Lien Reserve Fund, subject to the terms and conditions of Section 8.2(a)(1)(G) and Section 9.7(d). If money available in the Revenue Fund (after making deposits with priority) is not sufficient to make all deposits required by this paragraph, deposits to each Subordinate Lien Reserve Fund shall be made on a proportionate basis.
8. Eighth, on or before the twenty-fifth day of each month, the County may request withdrawal of the amount due for Rebate Liability.

9. Ninth, the County may request withdrawal of the amount due on Unsecured Obligations.
10. Tenth, the Trustee shall transfer the entire amount remaining in the Revenue Fund to the Capital Improvement Fund.

8.5 Historical Rates

Through FY 2008, the County adopted sewer rate increases to generate sufficient revenues to meet its financial obligations, including payment of debt service associated with all its outstanding sewer warrants. System rate increases were suspended after January 2008, however, after the credit ratings of various monoline insurers were downgraded by ratings agencies, auctions for the County's auction rate sewer warrants failed, and portions of the County's variable rate demand obligations were put back to the County, causing annual debt service requirements to increase significantly. Table 8-2 presents the County's historical sewer rates and residential bill for a 5 CCF user³⁶ from FY 2004 through FY 2013.

From FY 2004 through FY 2008, the Department's rate structure consisted of a minimum charge that was assessed based on meter size, as well as a volumetric rate component. The volumetric rate was charged per CCF of billable flow, and was the same for both residential and non-residential accounts. The minimum charge was a monthly fee assessed whenever billable flows were not reported for a customer account. Rate increases during this time period were restricted to the volumetric component of the rate structure. As noted above, rate increases were suspended after January 2008 following acceleration of scheduled debt service.

In November 2012, the Jefferson County Commission approved several modifications to the Department's uniform volume rate structure designed to enhance revenue generation and stability, more equitably distribute cost responsibilities, assure the affordability of low-volume usage, and encourage efficient use of water resources. The structural modifications included:

- Replacement of the minimum charge with a monthly base charge scaled by meter size and applicable to all users (both residential and non-residential) irrespective of their volume of monthly billable flows.
- Implementation of a 2.7% increase to the volumetric rate charged to non-residential accounts, from \$7.40 to \$7.60 per CCF.
- Implementation of an inclining block volumetric rate structure for residential accounts. Rates for billable flow³⁷ from 0 - 3 CCF were set to \$4.50 per CCF, from 4 - 6 CCF a rate of \$7.00 per CCF was applied, and rates for billable flow of 7 CCF and above were set at \$8.00 per CCF.

The modification to the County's sewer rate structure, which became effective in March 2013, resulted in a 1.4% increase to the monthly bill for residential accounts with billable flows of 5 CCF.³⁸

³⁶ A residential bill based on 5 CCF of billable flows is provided to facilitate comparisons to other sewer systems using available national surveys. FY 2013 billable flow among the System's residential users is estimated to average 5.3 CCF per month across all three billing entities.

³⁷ See Section 8.8.4 for a discussion of how water use is adjusted to determine billable flow

³⁸ Assumes 5/8 inch meter

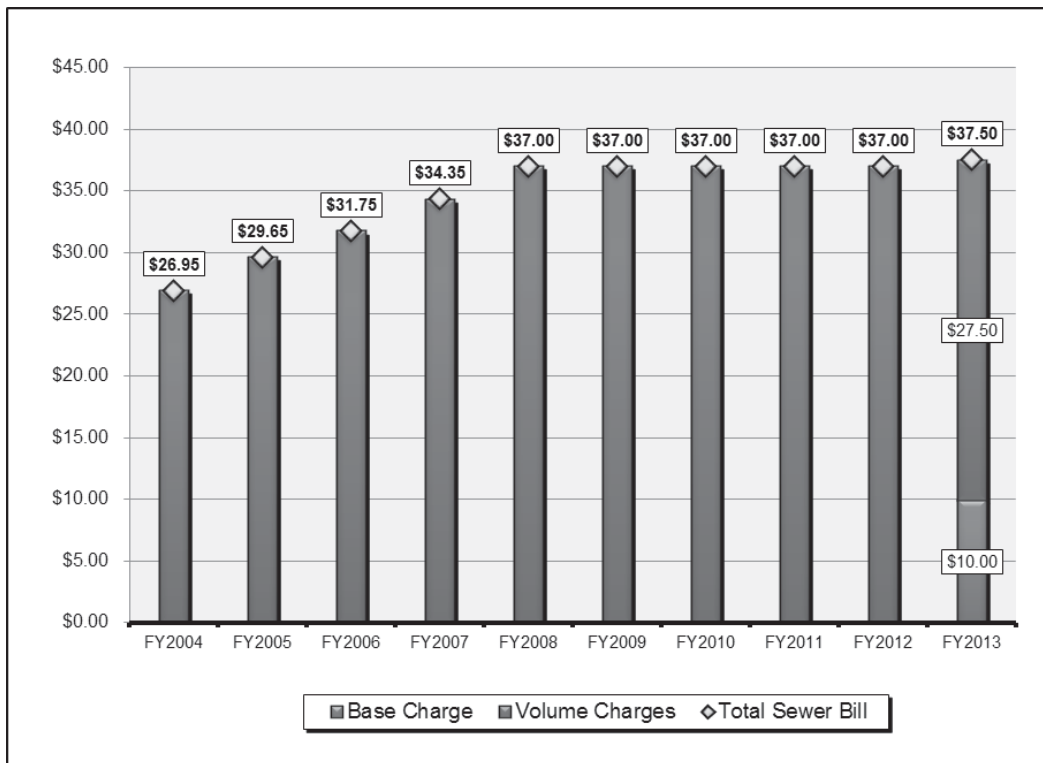
TABLE 8-2
Historical Sewer Rates and 5 CCF User Residential Bill, FY 2004 – FY 2013

| | FY 2004 | FY 2005 | FY 2006 | FY 2007 | FY 2008 | FY 2009 | FY 2010 | FY 2011 | FY 2012 | FY 2013 ^{1,2} |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------------|
| Minimum Charge | | | | | | | | | | Base Charge |
| 5/8 inch meter | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$2.00 | \$10.00 |
| 3/4 inch meter | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 11.00 |
| 1 inch meter | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 5.00 | 14.00 |
| 1 1/2 inch meter | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 18.00 |
| 2 inch meter | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 14.00 | 29.00 |
| 3 inch meter | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 110.00 |
| 4 inch meter | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 45.00 | 140.00 |
| 6 inch meter | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 85.00 | 210.00 |
| 8 inch meter | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 200.00 | 290.00 |
| 10 inch meter | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 250.00 | 370.00 |
| Residential Volume Charge, per CCF | | | | | | | | | | |
| 0 - 3 CCF | \$5.39 | \$5.93 | \$6.35 | \$6.87 | \$7.40 | \$7.40 | \$7.40 | \$7.40 | \$7.40 | \$4.50 |
| 4 - 6 CCF | 5.39 | 5.93 | 6.35 | 6.87 | 7.40 | 7.40 | 7.40 | 7.40 | 7.40 | 7.00 |
| 7 CCF & Above | 5.39 | 5.93 | 6.35 | 6.87 | 7.40 | 7.40 | 7.40 | 7.40 | 7.40 | 8.00 |
| Non-Residential Volume Charge, per CCF | | | | | | | | | | |
| All CCF | 5.39 | 5.93 | 6.35 | 6.87 | 7.40 | 7.40 | 7.40 | 7.40 | 7.40 | 7.60 |
| 5 CCF User Bill³ | \$26.95 | \$29.65 | \$31.75 | \$34.35 | \$37.00 | \$37.00 | \$37.00 | \$37.00 | \$37.00 | \$37.50 |
| <i>Bill increase</i> | | 10.0% | 7.1% | 8.2% | 7.7% | 0.0% | 0.0% | 0.0% | 0.0% | 1.4% |

1 – In FY 2013, a base charge replaced the minimum charge and a tiered volumetric rate structure was implemented for residential accounts.
 2 – The FY 2013 rate increase became effective five months into the fiscal year, on March 1, 2013.
 3 – The monthly bill for residential accounts of the System with billable flows of 5 CCF and a 5/8 inch meter.

Figure 8-1 presents the sewer bill, by component, from FY 2004 through FY 2013. Bill calculations are based on billable sewer flows of 5 CCF per month for residential accounts with a 5/8 inch meter. The monthly sewer bill has increased 39.2% over this nine-year period, from \$26.95 in FY 2004 to \$37.50 in FY 2013.³⁹

FIGURE 8-1
 Historical Monthly Residential Sewer Bill: Billable Flows of 5 CCF



8.6 2012 Sewer Bill Comparisons

A national rate survey of water and sewer bills across major metropolitan areas is published bi-annually, with the most recent data available for 2012.⁴⁰ Table 8-3 presents this data for selected metropolitan areas for residential users of 5 and 10 CCF and commercial users of 500 CCF (billable flows). Even though the County did not increase service rates between January 2008 and December 2012, this survey demonstrates that, as of 2012, the County's sewer rates were nevertheless among the highest in the United States among major metropolitan communities that responded to the rate survey.

³⁹ This equates to a 3.74% (compounded) annual increase in the average residential sewer bill from FY 2004 through FY 2013.

⁴⁰ 2012 Water and Wastewater Rate Survey, American Water Works Association (AWWA) and Raftelis Financial Consulting, Inc. (2013).

TABLE 8-3
Monthly Sewer Bill Comparisons by Service Provider¹

| Service Provider ² | Sewer Charges | | |
|-------------------------------|-----------------------|------------------------|--|
| | Residential, 5 CCF | Residential, 10 CCF | Non-Residential, ³ 500 CCF |
| Atlanta, GA | \$63.06 | \$139.46 | \$7,828 |
| Knoxville, TN | 59.30 | 99.80 | 3,237 |
| Seattle, WA | 53.40 | 106.80 | 5,340 |
| Detroit, MI | 41.30 | 61.77 | 2,281 |
| Richmond, VA | 41.10 | 53.96 | 2,171 |
| Charleston, SC | 39.03 | 70.34 | 3,068 |
| Portland, OR | 37.70 | 75.40 | 3,815 |
| Jefferson County, AL (2012) | 37.00 | 74.00 | 3,700 |
| San Francisco, CA | 35.81 | 78.78 | 3,277 |
| Jacksonville, FL | 33.96 | 54.99 | 2,451 |
| San Diego, CA | 33.32 | 51.31 | 1,898 |
| Austin, TX | 31.08 | 62.75 | 2,930 |
| Philadelphia, PA | 29.41 | 40.21 | 1,522 |
| Gwinnett County, GA | 29.20 | 53.40 | 2,425 |
| Cleveland, OH | 28.45 | 54.95 | 2,559 |
| Boston (BWSC), MA | 27.52 | 55.89 | 3,244 |
| Charlotte, NC | 27.40 | 48.10 | 2,107 |
| St. Petersburg, FL | 26.16 | 41.57 | 1,639 |
| New York City, NY | 25.20 | 50.40 | 2,520 |
| Orlando, FL | 24.92 | 38.40 | 1,360 |
| New Orleans, LA | 23.58 | 36.92 | 1,574 |
| Mobile, AL | 23.29 | 44.57 | 2,130 |
| Pensacola, FL | 22.28 | 45.58 | 2,329 |
| Nashville, TN | 21.84 | 45.54 | 2,217 |
| Dallas, TX | 21.30 | 38.51 | 1,159 |
| Washington, DC | 19.80 | 39.60 | 1,980 |
| Decatur, AL | 18.64 | 30.82 | 1,258 |
| Laurel, MD | 18.56 | 43.81 | 3,113 |
| Augusta, GA | 17.91 | 41.29 | 1,187 |
| Cobb County, GA | 16.23 | 37.87 | 2,023 |
| Columbus, GA | 15.59 | 28.94 | 1,041 |
| Phoenix, AZ | 12.34 | 23.65 | 1,088 |
| Denver, CO | 10.58 | 21.17 | 1,058 |
| Houston, TX | 9.12 | 37.58 | 1,929 |
| Salt Lake City, UT | 5.44 | 8.70 | 690 |

1 - Source: 2012 AWWA / RFC Water and Wastewater Rate Survey

2 - Sorted by Residential 5 CCF monthly bill amount

3 - Rounded to nearest dollar

8.7 Capital Financing

The Department's CIP contemplates expenditure requirements of \$840.5 million between FY 2013 and FY 2023. Table 8-4 identifies projected capital project expenditures by major program element and matching sources of funds. Projected capital expenditures will be funded through two sources: existing capital reserves made available at the Series 2013 Sewer Warrant closing (20.5%); and funds prospectively transferred to the Department's Capital Improvement Fund from its Revenue Fund (79.5%).

Available capital reserves consisting of Series 2002-D Construction Fund proceeds, 2005 Construction Fund proceeds, and the Depreciation Fund⁴¹ will be used to fund capital projects in the amount of \$172.0 million. The financial plan does not anticipate any additional debt issuance during the forecast period. It is anticipated that the Department will rely on annual transfers from its Revenue Fund to its Capital Improvement Fund to contribute \$669.0 million for current revenue financing of capital expenditure requirements. Of this amount, \$49.4 million is projected from tap fees and other capital contributions established to recover capacity-increasing costs necessary to serve new development. Another \$72.5 million will be derived from ad valorem tax revenues and the Department's share of business privilege taxes collected by the County. The remaining \$547.1 million will largely be available as a consequence of the multi-year rate increase schedule delineated in the County's bankruptcy Plan of Adjustment and operational efficiencies realized as a result of SCADA system improvements, the implementation of a new billing system, and other enhancements to the Department's IT infrastructure.⁴²

The Department's capital improvement plan is subject to frequent review and modification with new information on asset conditions, evolving regulatory requirements and changing System development priorities. To the extent that actual expenditures are less than projected, the Department will re-program and reschedule applications of accrued Capital Improvement Funds. In the event that new requirements place unanticipated claims on the Department's available Capital Improvement Funds, the Department is practiced at project prioritization and management within prevailing financial constraints.

⁴¹ Reserves available to fund future capital expenditures also include escrow funds and supplemental swap funds that will become available with issuance of the Series 2013 Sewer Warrants and confirmation of the County's bankruptcy Plan of Adjustment.

⁴² After making the current revenue transfers from the Department's Revenue Fund, approximately \$0.5 million will remain (unused balance) in the Capital Improvement Fund to pay for capital projects beyond the forecast period.

TABLE 8-4
 Projected Capital Project Expenditures and Funding by Source, FY 2013 – FY 2023^{1,2}

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 | TOTAL | Percent |
|--|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|---------------|---------------|---------------|----------------|---------------|
| Collection system rehabilitation | \$0.4 | \$1.0 | \$6.2 | \$6.4 | \$12.5 | \$12.8 | \$13.2 | \$13.6 | \$14.0 | \$14.4 | \$14.9 | \$109.4 | 13.0% |
| Hydraulic model & capacity assurance support | 0.1 | 1.8 | 1.9 | 1.9 | 0.2 | 0.2 | 0.2 | 0.2 | 0.2 | 0.3 | 0.3 | 7.3 | 0.9% |
| Capital equipment | 1.9 | 0.2 | 4.6 | 2.7 | 2.7 | 2.8 | 2.9 | 3.0 | 3.1 | 3.2 | 3.3 | 30.3 | 3.6% |
| Manhole rehabilitation | - | 0.8 | 1.8 | 1.8 | 1.9 | 1.9 | 2.0 | 2.0 | 2.1 | 2.2 | 2.2 | 18.6 | 2.2% |
| IT infrastructure & services | - | 0.2 | 2.6 | 2.2 | 1.8 | - | - | 0.1 | 0.7 | 1.1 | 1.0 | 9.8 | 1.2% |
| Professional engineering services | 1.3 | 2.8 | 3.1 | 3.2 | 3.3 | 3.4 | 3.5 | 3.6 | 3.7 | 3.8 | 3.9 | 35.5 | 4.2% |
| Pump station upgrades | 0.1 | 1.9 | 2.6 | 5.3 | 3.8 | 3.9 | 4.1 | 4.2 | 4.3 | 4.4 | 4.6 | 39.2 | 4.7% |
| Row acquisition (participation/expansion) | - | - | 0.1 | 0.1 | 0.5 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 | 0.7 | 4.4 | 0.5% |
| Sanitary sewer & MH repair and replacement | 2.1 | 5.6 | 13.4 | 10.2 | 11.4 | 11.7 | 12.1 | 12.4 | 12.8 | 13.2 | 13.6 | 118.4 | 14.1% |
| Sewer line cleaning & television inspection | 1.4 | 2.7 | 2.6 | 2.7 | 1.6 | 1.7 | 1.7 | 1.8 | 1.8 | 1.9 | 2.0 | 21.8 | 2.6% |
| SSO abatement & capacity improvement | 0.8 | 14.4 | 3.2 | 2.7 | 5.5 | 5.6 | 5.8 | 6.0 | 6.1 | 6.3 | 6.5 | 62.9 | 7.5% |
| WWTP regulatory compliance | 0.4 | 7.4 | 18.1 | 5.3 | 1.1 | 16.9 | 94.2 | 56.7 | 18.4 | 19.0 | 19.6 | 257.3 | 30.6% |
| WWTP repair, replacement, & renewal | 2.2 | 8.5 | 4.5 | 22.4 | 15.3 | 11.3 | 11.6 | 11.9 | 12.3 | 12.7 | 13.0 | 125.8 | 15.0% |
| Total Sewer CIP | \$10.7 | \$47.3 | \$64.6 | \$66.7 | \$61.6 | \$72.8 | \$151.9 | \$116.2 | \$80.3 | \$83.1 | \$85.4 | \$840.5 | 100.0% |
| Available Balance, Capital Reserves | 172.0 | - | - | - | - | - | - | - | - | - | - | 172.0 | 20.5% |
| Future Warrant Proceeds | - | - | - | - | - | - | - | - | - | - | - | - | 0.0% |
| Cash Financing | - | - | - | 18.0 | 62.0 | 72.0 | 152.0 | 116.0 | 81.0 | 83.0 | 85.0 | 669.0 | 79.5% |
| Used (Unused) Balance | (161.3) | 47.3 | 64.6 | 48.7 | (0.4) | 0.8 | (0.1) | 0.2 | (0.7) | 0.1 | 0.4 | (0.5) | |
| Total Funds | \$10.7 | \$47.3 | \$64.6 | \$66.7 | \$61.6 | \$72.8 | \$151.9 | \$116.2 | \$80.3 | \$83.1 | \$85.4 | \$840.5 | 100.0% |

1 – Slight calculation discrepancies may exist due to rounding

2 – All numbers in millions of dollars

8.8 Historical and Forecasted Billing Determinants

The Department's sewer service revenue forecasts are based upon billing data for a 12-month period from July 2011 through June 2012 reported by the County's billing partners, BWWB and Bessemer, and collected from accounts billed directly by the County. Billing system data includes number of bills, number of accounts by meter size, and total volume billed by volume increment (per CCF) by customer class.⁴³

8.8.1 Water Demand Patterns and Other Historical Data

Table 8-5 presents historical billing determinants for the County, including water consumption, number of customer accounts, and estimated annual billable flows. Between FY 2007 and 2012, the Department experienced significant declines in annual water consumption and billed sewer volumes. The observed decline in annual water consumption was approximately 7.9% over this five-year period, from 25.7 million CCF in FY 2007 to 23.6 million CCF in FY 2012. Over the same time period, the total number of customer accounts decreased from a monthly average of 144,463 in FY 2007 to an average of 139,920 in FY 2012, a reduction of 3.1%. Billable flows, while not available from the Department's billing partners, can be estimated based on reported revenues from these entities. Annual flows have decreased 7.2% over the historical reporting period, from 21.0 million CCF in FY 2007 to 19.5 million CCF in FY 2012.

TABLE 8-5
 Historical Billing Determinants, FY 2007 through FY 2012¹

| | FY 2007 | FY 2008 | FY 2009 | FY 2010 ² | FY 2011 | FY 2012 |
|---|------------|------------|------------|----------------------|------------|------------|
| Annual Consumption (CCF) | 25,650,114 | 24,546,952 | 24,038,962 | 24,134,818 | 24,517,542 | 23,620,608 |
| Average Monthly Accounts ³ | 144,463 | 146,009 | 143,102 | 141,885 | 140,370 | 139,920 |
| Consumption per Account | 14.8 | 14.0 | 14.0 | 14.2 | 14.6 | 14.1 |
| Estimated Billable Flows (CCF) ⁴ | 20,969,833 | 19,870,267 | 20,408,031 | 19,997,408 | 20,173,258 | 19,464,220 |
| Flows as % of Consumption | 81.8% | 80.9% | 84.9% | 82.9% | 82.3% | 82.4% |

1 - Based on historical data collected and summarized by the Department

2 - Because of data anomalies, account and consumption data for November 2009 was replaced with the average of other months within the fiscal year

3 - The average number of total accounts (both residential and non-residential)

4 - Billable flow data is not available from information provided by BWWB and Bessemer; however, annual billable flows can be estimated based on the reported service revenues from each of these entities and the effective volumetric rate for each fiscal year

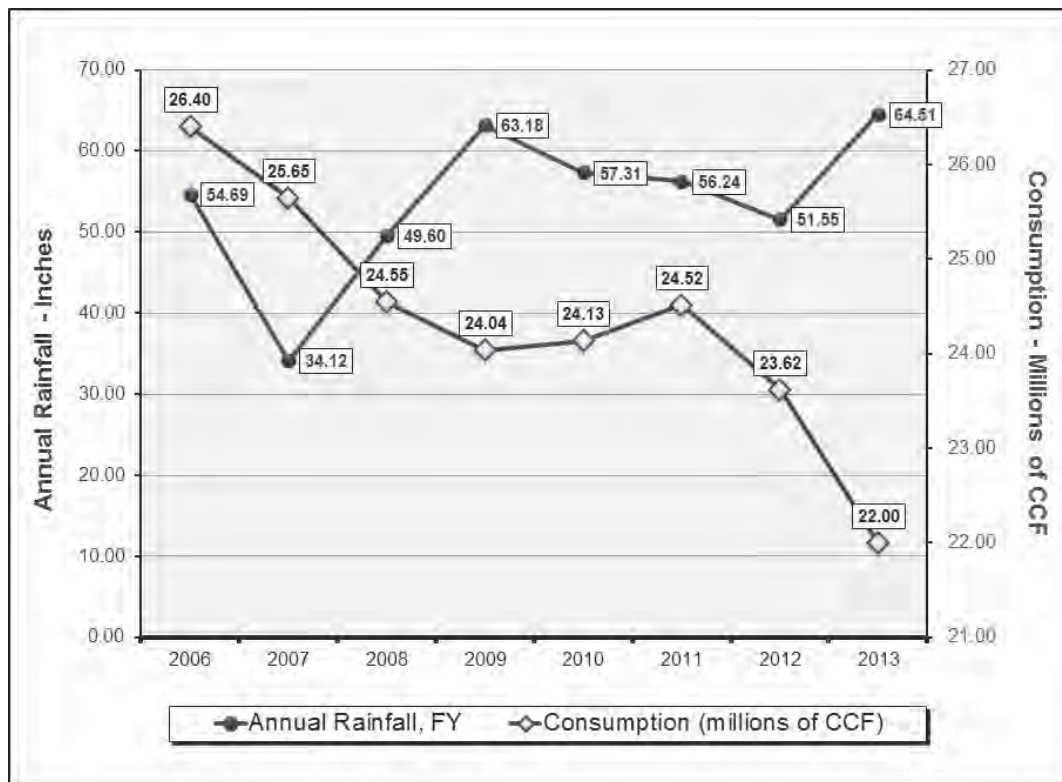
Water and sewer billed volumes remained low through the end of FY 2012, likely due to a combination of adverse economic conditions, price responses to water rate increases implemented by BWWB⁴⁴, and customer adoption of water conservation practices and devices. Weather-related factors may also significantly impact water consumption and billed sewer volumes. Figure 8-2

⁴³ The Department's existing billing system, as well as the information from Bessemer, provides data for residential and non-residential accounts; billing information provided by BWWB divides these two primary classes into various sub-categories of accounts such as single family homes, apartments, commercial, industrial, motels, etc.

⁴⁴ BWWB rates have increased annually by 8.75%, 7.75%, 7.7%, 13.2%, 6.9%, 6.9% and 3.9% since 2006 as reported in The City of Birmingham Water Works Board *Series 2013 (A&B) Water Revenue Bonds Official Statement*, April 17, 2013.

juxtaposes annual rainfall patterns with total water consumption in Jefferson County between FY 2006 and FY 2013 to demonstrate this relationship.

FIGURE 8-2
Comparison of Annual Rainfall and Total Water Consumption in Jefferson County, FY 2006 - FY 2013



8.8.2 Number of Accounts

Information on the numbers of accounts by class (residential and non-residential) was drawn from detailed billing data files provided by the Department for each billing party from June 2011 through July 2012.⁴⁵ Although account populations fluctuate over time, an annual average number of accounts was estimated for the base year of the forecast period for each billing entity and class as presented in Table 8-6.

Account growth assumptions by customer class were drawn from a comprehensive study prepared for the Department that estimated customer growth and water demand over a 30-year period.⁴⁶ The study relied on forecasts from the Regional Planning Commission of Greater Birmingham, data provided by the County's Department of Land Planning and Development Services, and utility industry trends and research. Housing data, population and employment trends, migration of customers from the Department's service area, and declining per account water demand statistics were factors used to develop long-term account and water consumption forecasts.

⁴⁵ There is an identified variance in reported account populations between historical data reported in Table 8-5 and that drawn from downloads of detailed billing data files as reported in Table 8-6 and that serve as the basis for revenue forecasting reported herein.

⁴⁶ *Sewer System Customer and Water Demand Study*, American Water Works Service Co., June 2011.

TABLE 8-6
 Number of Accounts and Assumed Growth by Customer Class and Billing Entity

| | Number of Accounts | Projected Growth Rates | | |
|--|--------------------|------------------------|------------|------------|
| | | FY 2013-17 | FY 2018-22 | FY 2023-53 |
| <i>Residential Customers</i> | | | | |
| BWWB | 103,520 | -0.09% | -0.09% | -0.09% |
| Bessemer | 13,788 | -0.09% | -0.09% | -0.09% |
| Jefferson County | 10,809 | -0.09% | -0.09% | -0.09% |
| Total Residential Customers | 128,117 | | | |
| <i>Non-Residential Customers</i> | | | | |
| BWWB | 10,311 | -0.50% | 0.00% | 0.71% |
| Bessemer | 2,572 | -0.50% | 0.00% | 0.71% |
| Jefferson County | 1,249 | -0.50% | 0.00% | 0.71% |
| Total Non-Residential Customers | 14,132 | | | |

The water demand study developed three different customer and demand forecasts corresponding to Low Growth, Base Growth, and High Growth scenarios. The Base Growth scenario used herein for revenue forecasting purposes assumed a -0.09% annual growth rate for residential customers and 0.71% annual growth rate for non-residential customers over the 40-year forecast period. Based on historical trends for the most recent 5-year and 10-year periods that indicate declining non-residential account populations, non-residential customer account growth was changed to -0.50% for the first 5 years (FY 2013-17) and 0% for the next 5 years (FY 2018-22). The account growth assumption remains, however, at 0.71% per year for the latter 30 years of the forecast period (FY 2023-53).⁴⁷ It was also assumed that the distribution of customer accounts across meter sizes remains consistent (based on the current distribution) as total customer accounts increase or decrease over the forecast period.

8.8.3 Water Consumption

Monthly average consumption per account and residential bill frequency data (e.g., numbers of accounts billed by each increment of billable volume) were drawn from billing data files provided by the County for each billing party for FY 2012. These historical values serve as the basis for projected water consumption by account (by class and billing party). Consumption per account statistics are adjusted over the forecast period based on two factors: price elasticity of demand assumptions (i.e. customer responses to rate increases) and price-independent consumption adjustments.

Water consumption levels were assumed to decline as customers respond to the approved sewer rate increases incorporated into the Plan of Adjustment, a concept known as price elasticity of demand. A price elasticity of demand factor measures the incremental change in consumption given a certain change in the price level (sewer rates). Price elasticity factors of -1.65 for residential customers⁴⁸ and -1.75 for non-residential customers were applied based on the projected increase

⁴⁷ These revisions were the principal basis for the County's recalibration of its prior revenue forecasts and were employed to develop its bankruptcy Plan of Adjustment.

⁴⁸ The elasticity of demand factor is -1.60 for residential accounts billed by Bessemer.

of the average monthly bill for each customer class.⁴⁹ The price elasticity factors can be interpreted as the anticipated percent reduction in water use per account for every 10% increase in the average users' bill. For residential use subject to tiered volumetric rates, price elasticity impacts are calculated for each billing party to estimate changes in the proportion of water use shifting from upper volumetric rate tiers to lower volumetric rate tiers over the forecast period.⁵⁰

Over the most recent fiscal year (FY 2013), abnormally wet and cool weather patterns contributed to an estimated 7.2% decrease in total water consumption as compared to FY 2012.⁵¹ More generally, water usage patterns throughout North America have exhibited a general downward trend due to a variety of price and non-price related factors.⁵² To reflect this general downward trend in water use and the potential influence of future water pricing changes (from BWWB or other service providers), additional sewer rate-independent factors are applied to water use per account projections during the first five years of the forecast period. Of the 7.2% decline observed in FY 2013, it is assumed that 3.25% represents a change in per account consumption patterns that persist through FY 2014. From this lower base usage level, a 1.0% reduction factor is assumed annually from FY 2015 through FY 2017 to reflect continuing non-price declines.

8.8.4 Billable Flows

The County's rate structure provides for a 15% reduction in metered water use for its determination of residential billable sewer flows to account for the fact that some water use does not result in return flows to the System. Similarly, some non-residential accounts' consumptive uses (e.g., water in products, evaporative cooling) are recognized in determination of billable sewer flows. Reductions of water use per account values were applied based on the most recently available data on the incidence of credit adjustments by billing partner by customer class. These credit adjustments, forms of which are typical in the wastewater industry, are applied throughout the forecast period reflecting the assumed prospective continuation of these credit procedures. Table 8-7 summarizes the water credit factors that are applied to projected water consumption to establish projected billable flows by customer class and billing entity.

TABLE 8-7
Water Credit Adjustments by Customer Class and Billing Entity

| | BWWB | Bessemer | County ¹ |
|--------------------------|-----------------------|----------|---------------------|
| Residential Accounts | -12.044% ² | -15.007% | -15.405% |
| Non-Residential Accounts | -4.605% | 0.255% | -3.720% |

1 - Accounts direct-billed by the County

2 - Some BWWB residential accounts use secondary water to meet irrigation needs, resulting in a 0% water credit for metered potable water use

⁴⁹ Monthly bill calculations account for increases to both the base charge and volumetric rate components.

⁵⁰ Algorithms within the revenue projection framework ensure that the forecasted number of accounts and estimated residential water consumption per volumetric rate tier are congruent, avoiding impractical consumption per account anomalies.

⁵¹ Based on preliminary estimates of FY 2013 consumption data provided by the County.

⁵² See, for example, Rockaway, Thomas D.; Coomes, Paul A.; Rivard, Joshua; Kornstein, Barry; "Residential Water Use Trends in North America", Journal AWWA, (February 2011) vol 103, no. 2 pp. 76-89.

8.8.5 Projected Billing Determinants

Projections of consumption per account, average number of total accounts, annual water consumption, and billable flows for FY 2014 through FY 2023 are summarized in Table 8-8. Consumption per account, which is an average of both residential and non-residential customers, decreases 10.9% from 13.20 CCF to 11.76 CCF per month. The Department's total accounts are projected to decrease 0.8%, from 141,878 to 140,734. Because both accounts and use per account metrics are declining, annual consumption is also expected to decrease from 22.5 to 19.9 million CCF, an 11.6% reduction. Billable flows are based on water credit adjustments reported earlier in this section, and remain at 80.6% of annual consumption across the forecast period. As a result, billable sewer flows are also projected to decrease by 11.6% by FY 2023.

8.9 Forecasted Operating Results

Table 8-9 presents the cash flow projections for the Department's Operating Account. A viable financial plan is developed to ensure compliance with the Department's policies to maintain reserve balances equal to three months of operating expenses, to achieve minimum targeted debt service coverage, and to finance projected capital expenditure requirements through revenue transfers to the Capital Improvement Fund (termed herein "Current Revenue Financing of Capital").⁵³

⁵³ These financial planning protocols have been employed across the forecast period to determine net revenues available for debt service under the bankruptcy Plan of Adjustment. The Series 2013 Sewer Warrant Plan of Finance reflects structuring of debt service obligations within these so-defined constraints.

TABLE 8-8
Projected Billing Determinants, FY 2014 – FY 2023

| | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Consumption per Account ¹ | 13.20 | 12.87 | 12.54 | 12.22 | 12.05 | 11.99 | 11.92 | 11.85 | 11.79 | 11.76 |
| Average Monthly Accounts ² | 141,878 | 141,693 | 141,508 | 141,323 | 141,208 | 141,093 | 140,978 | 140,864 | 140,750 | 140,734 |
| Annual Consumption (CCF) | 22,480,411 | 21,875,668 | 21,287,472 | 20,715,884 | 20,427,094 | 20,295,802 | 20,165,833 | 20,036,230 | 19,908,363 | 19,864,525 |
| Residential Flows, Tier 1 | 3,353,058 | 3,307,679 | 3,262,680 | 3,217,931 | 3,206,067 | 3,199,519 | 3,192,857 | 3,186,377 | 3,179,898 | 3,173,187 |
| Residential Flows, Tier 2 | 1,765,985 | 1,724,178 | 1,683,429 | 1,643,640 | 1,621,282 | 1,610,600 | 1,599,960 | 1,589,509 | 1,579,155 | 1,568,780 |
| Residential Flows, Tier 3 | 1,811,522 | 1,732,361 | 1,656,025 | 1,582,349 | 1,526,784 | 1,501,176 | 1,475,817 | 1,450,842 | 1,426,160 | 1,401,665 |
| Total Residential Flows | 6,930,565 | 6,764,218 | 6,602,134 | 6,443,919 | 6,354,133 | 6,311,295 | 6,268,634 | 6,226,728 | 6,185,213 | 6,143,632 |
| Total Non-Residential Flows | 11,193,440 | 10,870,215 | 10,556,151 | 10,251,734 | 10,108,792 | 10,046,030 | 9,984,181 | 9,921,808 | 9,860,458 | 9,869,543 |
| Total Billable Flows (CCF)³ | 18,124,005 | 17,634,433 | 17,158,285 | 16,695,653 | 16,462,925 | 16,357,325 | 16,252,816 | 16,148,536 | 16,045,671 | 16,013,175 |
| <i>Flows as % of Consumption</i> | 80.6% | 80.6% | 80.6% | 80.6% | 80.6% | 80.6% | 80.6% | 80.6% | 80.6% | 80.6% |

1 - The average consumption per account for the System, with residential and non-residential accounts combined; reflects the impacts of price elasticity assumptions and price-independent use per account reductions.

2 - The average number of total accounts (both residential and non-residential customers) based on application of account growth assumptions to account populations reported in Table 8-6..

3 - Billable flow forecasts are developed using the water credit adjustments by billing entity summarized in Table 8-7

TABLE 8-9
Projected Sources and Uses of Cash, Operating Account, FY 2013 - FY 2023¹

| | FY 2013 ² | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|---|----------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <i>Beginning Cash Balance</i> | \$15.7 | \$122.1 | \$64.8 | \$110.2 | \$140.7 | \$130.4 | \$123.0 | \$53.9 | \$26.0 | \$26.4 | \$27.7 |
| Rate Revenue | 141.0 | 156.3 | 166.1 | 175.1 | 184.6 | 196.9 | 202.7 | 208.6 | 214.8 | 221.1 | 228.5 |
| IWG&S Revenue | 2.9 | 3.8 | 4.0 | 4.4 | 4.7 | 5.1 | 5.3 | 5.5 | 5.7 | 5.9 | 6.1 |
| Other Service Revenue | 4.9 | 5.0 | 5.1 | 5.2 | 5.3 | 5.4 | 5.5 | 5.6 | 5.7 | 5.8 | 5.9 |
| Total Service Revenue | \$148.7 | \$165.1 | \$175.2 | \$184.7 | \$194.6 | \$207.3 | \$213.4 | \$219.7 | \$226.2 | \$232.8 | \$240.5 |
| Taxes | 5.7 | 6.0 | 6.1 | 6.2 | 6.4 | 6.5 | 6.6 | 6.8 | 6.9 | 7.0 | 7.2 |
| Intergovernmental | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 | 0.1 |
| Other Operating Revenue | 7.9 ³ | 3.1 | 3.2 | 3.3 | 3.3 | 3.4 | 3.5 | 3.5 | 3.6 | 3.7 | 3.8 |
| Total Sources | \$162.4 | \$174.3 | \$184.6 | \$194.3 | \$204.4 | \$217.3 | \$223.6 | \$230.1 | \$236.8 | \$243.6 | \$251.6 |
| Operating Expenses | \$56.1 ⁴ | \$67.2 | \$64.7 | \$66.4 | \$68.0 | \$68.2 | \$70.2 | \$71.6 | \$76.1 | \$78.4 | \$80.8 |
| Interest on Sewer Warrants ⁵ | - | 96.3 | - | - | - | - | - | - | - | - | - |
| Other Costs ⁶ | - | 8.3 | - | - | - | - | - | - | - | - | - |
| Senior Lien Debt Service | - | 19.0 | 23.0 | 23.0 | 23.0 | 23.0 | 23.0 | 23.0 | 23.0 | 23.0 | 23.0 |
| Subordinate Lien Debt Service | - | 40.8 | 51.5 | 56.4 | 61.7 | 61.5 | 47.5 | 47.5 | 56.2 | 58.0 | 61.3 |
| Current Revenue Financing of Capital | - | - | - | 18.0 | 62.0 | 72.0 | 152.0 | 116.0 | 81.0 | 83.0 | 85.0 |
| Total Uses | \$56.1 | \$231.6 | \$139.2 | \$163.8 | \$214.7 | \$224.7 | \$292.7 | \$258.1 | \$236.3 | \$242.4 | \$250.0 |
| <i>Ending Cash Balance</i> | \$122.1 | \$64.8 | \$110.2 | \$140.7 | \$130.4 | \$123.0 | \$53.9 | \$26.0 | \$26.4 | \$27.7 | \$29.2 |

1 - In millions of dollars; some calculation discrepancies may exist due to rounding

2 - Revenue and expense estimates represent preliminary, unaudited results for FY 2013

3 - Includes \$3.4 million associated with one-time legal settlement

4 - Does not include approximately \$6.9 million of estimated indirect expenses that were not paid in FY 2013 (see Section 5.3.6)

5 - Interest obligations on existing sewer warrants that will be paid at closing

6 - Other net claims on cash balances that will be paid in FY 2014, including estimated payments of \$2.0 million to the Sewer Warrants Trustee, \$0.8 million for the Assured Interest Reinstatement on 2003-B-8 Warrants, and \$5.5 million for additional costs associated with emerging from bankruptcy

8.9.1 Revenues

Projected billing determinants populate a detailed revenue-forecasting model designed to project revenues under historical operating conditions and estimate the revenue impacts of prospective changes to the Department's sewer rates over the forecast period. Revenue forecasts include sewer rate revenues (including the base charge and volumetric components), industrial waste surcharge revenues, grease and septage revenues, tax revenues, and other operating revenues.

8.9.1.1. FY 2014 – FY 2023 Sewer Rates per County's Plan of Adjustment

In July 2013, the County filed its bankruptcy Plan of Adjustment that contemplates, among other things, a series of adjustments to sewer rates and fees (as discussed in Section 1.4). Projected revenues for the forecast period are based on these rate increases as applied to the projected billing determinants presented in Table 8-8. For FY 2014, monthly base charges are increased 50% and a 3.49% increase in volumetric rates is applied to non-residential customer accounts.⁵⁴ For FY 2015 through FY 2018, all sewer rate components are increased 7.89% per annum; all sewer rate components are increased by 3.49% per annum thereafter. Sewer rates as contemplated under the County's Plan of Adjustment are provided in Appendix I.

8.9.1.2. Rate Revenues

Rate revenue projections anticipate that sewer customers will continue to reduce water consumption over the forecast period given continuing economic dynamics, national trends, and lasting responses to approved rate increases. Billable flows are reduced based on price-independent and price elasticity of demand factors, as described earlier in this section. For residential rate revenues, revenue calculations are also impacted by adjustments to the proportion of billable flows falling into each volumetric rate tier. The rate revenue forecast accounts for the fact that, as customers reduce water use, the incremental consumption decrease occurs at the higher tiers of the inclining block rate structure.

Additionally, two types of adjustment factors are applied to reduce gross projected rate revenues. First, a 2.5% adjustment for uncollectible revenues is applied to both base charge and volumetric rate revenues for all billing parties. This 2.5% assumption effectively assumes levels of uncollectible accounts consistent with historical experience and anticipated future collection efforts of the Department. Second, billing adjustments are applied to volumetric rate revenues based on an analysis of detailed billing records as reconciled with earned revenues posted to the County's financial system. These earned revenue adjustments are outlined in Table 8-10 below and reflect a plethora of post-meter reading adjustments (e.g., application of private meter credits, correction of prior period billing errors, money-only bill adjustments).

⁵⁴ Residential volumetric rates—as well as industrial waste surcharges, grease and septage charges—were not increased in FY 2014.

TABLE 8-10
 Earned Revenue Adjustments by Customer Class and Billing Entity

| | BWWB | Bessemer | County ¹ |
|--|----------|----------|---------------------|
| Uncollectible Revenues, All Classes ² | -2.500% | -2.500% | -2.500% |
| Volumetric Adjustment, Residential | -10.396% | -1.696% | -19.871% |
| Volumetric Adjustment, Non-Residential | -10.373% | -1.692% | -15.926% |

1 - Customers direct-billed by the County

2 - Applied to both base charge and volumetric rate revenues

As a result of the proposed rate increase schedule, annual rate revenues are forecast to increase from \$141.0 million in FY 2013 to \$228.5 million in FY 2023, an increase of 62.1%.

8.9.1.3. Industrial Waste, Grease and Septic Charges

Industrial Waste surcharge revenues are projected based on assumptions that contributed loadings (e.g., pounds of BOD, TSS, FOG, and other parameters)⁵⁵ will remain constant over the forecast period. This assumption reflects potentially countervailing impacts of general, though limited, commercial growth and responses to surcharge level increases. Industrial Waste surcharges (by constituent), grease and septage charges (IWG&S) are subject to the enacted rate increase schedule presented in Appendix I.⁵⁶ However, these revenues are not reduced to account for uncollectible revenues and other post-meter reading adjustments. IWG&S revenues are projected to increase from \$2.9 million⁵⁷ to \$6.1 million over the forecast period.

8.9.1.4. Other Service Revenues

Other service revenues of the Department consist primarily of impact fee revenues, but also include other revenue items such as grease control permits, sewer tap permits, and various other administrative charges. Impact fees are designed to recover the costs to extend service to new customers of the System, and were approximately \$4.1 million in FY 2013. Other service revenues of the Department are expected to increase from \$4.9 million in FY 2013 to \$5.9 million in FY 2023, an increase of 20.4%.

8.9.1.5. Other Operating Revenues

Other revenue categories include ad valorem property and motor vehicle taxes, the Department's share of a business privilege tax collected by the County⁵⁸, interest revenues, reimbursements, and other miscellaneous revenues. Due to significant year-over-year variability in other operating revenues of the System, projections were developed based on the arithmetic average of actual other operating revenues for the four prior fiscal years. Ad valorem tax revenues are projected to increase from \$5.7 to \$7.2 million over the forecast period. Intergovernmental revenues are expected to increase 0.75% per annum. Other operating revenue items are expected to increase approximately

⁵⁵ Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS), Fats, Oils and Grease (FOG)

⁵⁶ Industrial waste surcharges, as well as grease and septage charges, were not increased in FY 2014.

⁵⁷ Projected Industrial Waste Surcharge revenues were adjusted downward from that developed by the receiver and incorporated into the Plan of Adjustment. This \$1.7 million adjustment for FY 2014 reflects correction of assignments of strength loadings and billable flows for several Industrial Waste surcharge customers.

⁵⁸ This revenue stream is classified as Intergovernmental Revenue.

2.0% annually. Non-service revenues of the Department, in total, are expected to increase 22.6%, from \$3.1 million in FY 2014 to \$3.8 million in FY 2023.⁵⁹

8.9.1.6. Total System Revenues

Total service revenues of the Department are projected to increase 61.7%, from \$148.7 million in FY 2013 to \$240.5 million in FY 2023. In FY 2023, projected total System revenues of \$251.6 million are comprised of sewer rate revenues (90.6%), IWG&S revenues (2.3%), other service revenues (2.5%), taxes (3.0%), intergovernmental charges (0.1%), and other operating revenues (1.5%). Total System revenues, under the customer growth and water demand assumptions delineated above, are projected to increase 54.9% from \$162.4 million in FY 2013 to \$251.6 million in FY 2023.

8.9.2 Operating Expenses

System operating expenses are grouped into various categories as described in Section 5. Combined operating and maintenance expenditures for the Sewer Operating Account are projected to increase 44.0%, from \$56.1 million in FY 2013 to \$80.8 million by FY 2023. This increase reflects the application of cost escalation factors by budget category, achievement of operational efficiencies, and various adjustments to reflect the County's exit from bankruptcy as discussed in Section 5.

8.9.3 Other Expense

Other expenses of the System include various costs to be incurred in FY 2014 in conjunction with the County's anticipated emergence from bankruptcy, including accrued interest on outstanding sewer warrants, assured interest reinstatement on 2003-B-8 Warrants, payments to the Sewer Warrant Trustee, and other cost contingencies.

8.9.3.1. Interest on Sewer Warrants

On February 1, 2013, the Sewer Warrant Trustee suspended debt service payments on the outstanding Sewer Warrants. As of January 31, 2013, the Trustee held approximately \$43.2 million in the Sewer Warrant Debt Service Fund. The County has continued to remit the net revenues of the Sewer System to the Trustee on a monthly basis pursuant to the Sewer Warrant Indenture. The County estimates Sewer Warrant debt service of approximately \$99.2 million will be paid on the closing date. This amount reflects the following: (1) debt service payments due on outstanding Sewer Warrants on scheduled payment dates occurring on and between February 1, 2013 and the closing date, (2) interest accrued on outstanding Sewer Warrants from the last scheduled payment date for such Sewer Warrants through the closing date, (3) debt service paid by Assured Guaranty Municipal Corp. ("AGM") on scheduled payment dates for certain fixed rate and auction rate warrants insured by AGM, and (4) a credit applied by the Trustee to the scheduled redemptions of certain variable rate and auction rate Sewer Warrants for prior Bank Warrant redemptions made by the County in 2008.

8.9.3.2. Assured Interest Reinstatement and Other Cost Contingencies

Approximately \$760,000 of interest will be paid to AGM under the Plan of Adjustment. After the Trustee suspended payment of Sewer Warrant debt service on February 1, 2013, AGM made a scheduled principal payment of \$17.2 million on fixed rate AGM insured Sewer Warrants. Interest on

⁵⁹ Excludes one-time legal settlement amounts in FY 2013 from the comparison.

that principal payment has been accruing at the interest rate of such fixed rate Sewer Warrants and will continue to accrue through closing.

This financial analysis also estimates payments to the Trustee of approximately \$2.0 million in FY 2014 and makes an allowance for \$5.5 million in other costs that may arise as the County emerges from bankruptcy. Combined, the Department expects a total of \$8.3 million in other costs to be realized in FY 2014.

8.9.4 Debt Service

The Department's capital financing plan outlined earlier in this section does not anticipate additional debt financing between FY 2013 and FY 2023. The Series 2013 Sewer Warrants include issuance of both senior lien and subordinate lien debt and are anticipated to yield \$1,741.5 million in combined proceeds which will be distributed to the existing creditors of the County (\$1,700.5 million, 97.6%), and pay other costs of issuance (\$41.0 million, less than 2.4%). A letter of credit will be used to secure the debt service reserve requirements for both the senior lien and subordinate lien warrants.⁶⁰

The projected debt service schedules employed herein assume issuance of senior lien warrants with a par amount or amount due at maturity of approximately \$500.0 million and issuance of subordinate lien warrants with a par amount or amount due at maturity of approximately \$1,238.4 million. The senior lien warrants annual debt service is projected to be \$19.0 million in FY 2014 and \$23.0 million per annum in FY 2015 through FY 2023. The subordinate lien warrants annual debt service is projected to range between \$40.8 million in FY 2014 and \$61.7 million in FY 2017 over the forecast period. Total debt service costs are expected to be \$59.8 million in FY 2014 and are scheduled to increase to \$84.3 million by FY 2023. The projections assume the aggregate true interest cost for both liens is 6.90%.

8.9.5 Current Revenue Financing of Capital Improvements

As shown in Table 8-4, the Department's financing plan assumes that \$669.0 million will be transferred from the Department's Revenue Fund to the Capital Improvement Fund over the forecast period to fund future capital expenditures between FY 2016 and FY 2023 (after exhaustion of available capital reserves). Current revenue financing amounts vary based on the projected performance of the Revenue Fund and Operating Account (including minimum balance requirements), but are expected to range between \$18.0 million and \$152.0 million annually.⁶¹ The Department's capital financing plan provides for achievement of debt service coverage and fund balances in excess of established performance targets.

8.9.6 Operating Account Balances

The Series 2013 Sewer Warrant Indenture provides for the Operating Account to maintain cash balances equal to approximately three months of budgeted operating expenditures (approximately \$16.6 million in FY 2014) to provide adequate working capital for the Department's operations. The projected ending cash balance for the Department's Operating Account ranges from \$26.0 million to \$140.7 million over the forecast period and reflects the effect of the County's approved rate

⁶⁰ Annual fees for the letter of credit are approximately \$90,000 and are allocated to the projected debt service obligations of both the senior lien and subordinate lien warrants.

⁶¹ The principal reason for atypically high Capital Improvement Fund draws in FY 2019 and FY 2020 relate to expenditure requirements associated with Phosphorus removal upgrades at selected WWTPs as discussed in Section 4.

increases. Drawing down of these balances enables financing of the Department's capital program from FY 2013 through FY 2023 without reliance on future debt issues.

8.10 Projected Debt Service Coverage

Table 8-11 presents the projected performance of the Department relative to its targeted debt service coverage metrics, including projected net operating revenues, expenses, debt service, and debt service coverage through FY 2023.

TABLE 8-11
Projected Senior Lien and Subordinate Lien Debt Service Coverage^{1,2}

| | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | FY 2023 |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total Revenues | 162.4 | 174.3 | 184.6 | 194.3 | 204.4 | 217.3 | 223.6 | 230.1 | 236.8 | 243.6 | 251.6 |
| - Tax Revenues ³ | (5.7) | (6.0) | (6.1) | (6.2) | (6.4) | (6.5) | (6.6) | (6.8) | (6.9) | (7.0) | (7.2) |
| - Intergovernmental Revenues ⁴ | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) | (0.1) |
| Total Operating Revenues | \$156.7 | \$168.2 | \$178.4 | \$187.9 | \$197.9 | \$210.7 | \$216.9 | \$223.2 | \$229.8 | \$236.5 | \$244.3 |
| Operating Expenses | 56.1 | 67.2 | 64.7 | 66.4 | 68.0 | 68.2 | 70.2 | 71.6 | 76.1 | 78.4 | 80.8 |
| - Tax Revenues ³ | (5.7) | (6.0) | (6.1) | (6.2) | (6.4) | (6.5) | (6.6) | (6.8) | (6.9) | (7.0) | (7.2) |
| Total Operating Expense | \$50.4 | \$61.2 | \$58.6 | \$60.1 | \$61.6 | \$61.7 | \$63.6 | \$64.8 | \$69.2 | \$71.4 | \$73.6 |
| Net Revenue Available for Debt Service | \$106.3 | \$107.0 | \$119.8 | \$127.8 | \$136.3 | \$149.0 | \$153.3 | \$158.4 | \$160.5 | \$165.1 | \$170.7 |
| Senior Lien Debt Service | - | \$19.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 | \$23.0 |
| Projected Senior Lien Coverage⁵ | 5.62 | 5.21 | 5.21 | 5.55 | 5.92 | 6.47 | 6.66 | 6.89 | 6.98 | 7.18 | 7.42 |
| Net Revenues for Subordinate Debt | - | \$88.0 | \$96.8 | \$104.8 | \$113.3 | \$126.0 | \$130.3 | \$135.4 | \$137.5 | \$142.1 | \$147.7 |
| Subordinate Lien Debt Service | - | \$40.8 | \$51.5 | \$56.4 | \$61.7 | \$61.5 | \$47.5 | \$47.5 | \$56.2 | \$58.0 | \$61.3 |
| Projected Subordinate Lien Coverage⁵ | 2.15 | 1.88 | 1.85 | 1.85 | 1.83 | 2.05 | 2.74 | 2.85 | 2.44 | 2.45 | 2.41 |
| Senior and Subordinate Lien Debt Service | - | \$59.8 | \$74.5 | \$79.4 | \$84.7 | \$84.4 | \$70.5 | \$70.5 | \$79.2 | \$81.0 | \$84.3 |
| Projected Total Debt Service Coverage⁵ | 1.78 | 1.60 | 1.60 | 1.60 | 1.60 | 1.76 | 2.17 | 2.24 | 2.02 | 2.03 | 2.02 |

1 - All numbers in millions of dollars.
2 - Slight calculation discrepancies may exist due to rounding.
3 - Tax revenues may not be included as pledged revenues to establish debt service coverage, but may be shown as an offset to System operating expenses.
4 - Intergovernmental revenues may not be included as pledged revenues to establish debt service coverage.
5 - Debt service coverage metrics rounded down to the second significant digit.

Adjustments are made to operating revenues to exclude tax and intergovernmental revenue that are not pledged revenues of the System. However, tax revenues may be used to offset operating expenses for purposes of establishing debt service coverage. Annual net operating revenues available to pay debt service increase 60.6%, from \$106.3 million in FY 2013 to \$170.7 million in FY 2023.

Debt service coverage is evaluated in terms of cash flows of the System Revenue Fund. For new debt issues, the Department has a minimum parity coverage requirement of 1.25x average annual debt service for senior lien debt, and a minimum parity coverage requirement of 1.10x average annual debt service for subordinate debt. Senior lien debt service coverage is projected to range from 5.21x in FY 2015 to 7.42x in FY 2023, while subordinate lien debt service coverage is projected to vary between 1.83x in FY 2017 and 2.85x in FY 2020. Total debt service coverage is projected to be 1.78x in FY 2014 and increase to 2.02x by FY 2023. The projected coverage ratios of senior lien and subordinate debt demonstrate that the Department's capital financing plan will meet minimum operating fund balance requirements and exceed targeted debt service coverage levels.

8.11 Post-FY 2023 Capital Requirements

Tables 8-9 and 8-11 demonstrate that the projected flow of funds will be adequate to meet debt service obligations, fund projected operating expenses, and finance capital improvement requirements over the FY 2013 to FY 2023 forecast period. However, substantial capital improvement requirements are expected beyond FY 2023 to address regulatory requirements and continue System renewal and rehabilitation. Given that the schedule for the Series 2013 Sewer Warrants contemplates increased debt service requirements in FY 2024, the level of current revenue financing afforded by the rate increases outlined in the Plan of Adjustment will not be adequate to finance all future capital requirements as currently contemplated. As a result, additional rate increase requirements (above the approved 3.49% per annum increases) are anticipated in FY 2024 and beyond to finance prospective capital improvement requirements through the issuance of future sewer warrants.

8.12 Financial Projection Summary

The projections of revenues, expenses, debt service, and debt service coverage indicate the financial feasibility of the Department's projected operating expenses and 10-year capital improvement plan, including its funding of Consent Order projects and needed investments in System operational efficiency and reliability. The projection of the financial performance of the System for FY 2013 through FY 2023 is summarized as follows:

- The County has demonstrated a strong commitment to improved financial performance by filing its Plan of Adjustment that incorporates the rate increase schedule presented in Appendix I. The monthly bill of a residential customer⁶² of the System with billable sewer flows of 5 CCF per month will increase from \$37.50 in FY 2013 to \$68.68 in FY 2023, an increase of 83.2%.
- Total System revenues are projected to increase 54.9%, from \$162.4 to \$251.6 million between FY 2013 and FY 2023 – primarily as a result of contemplated sewer rate increases.

⁶² Assumes a residential customer with a 5/8 inch meter.

- The Department's total Operating Expenses, assuming a revised cost structure post-bankruptcy, are projected to increase 44.0% over the forecast period, from \$56.1 million in FY 2013 to \$80.8 million in FY 2023.
- Total annual expenses, including debt service on the Series 2013 Sewer Warrants but excluding current revenue financing of capital expenditure requirements, are projected to increase by 193.9%, from \$56.1 million in FY 2013 to \$164.9 million in FY 2023.
- The Department's capital improvement program reflects priority needs of the System and, after adjusting for inflation, is expected to require expenditures of \$840.5 million between FY 2013 and FY 2023. These capital projects will be funded from current revenues transferred to the Department's Capital Improvement Fund (\$669.0 million, 79.5%) and existing capital reserves (\$172.0 million, 20.5%).⁶³
- The combined use of current revenues and the drawing down of capital reserve balances will enable the County to finance the Department's capital program without reliance on future debt issues during the forecast period.
- Net revenues of the Department are projected to be sufficient to meet future debt service obligations, including a 1.25x parity coverage requirement on senior lien debt and a 1.10x parity coverage requirement on subordinate debt. Projected senior lien debt service coverage is projected to range between 5.21x and 7.42x over the forecast period, while subordinate lien debt service coverage is projected to range between 1.83x and 2.85x. Total debt service coverage is projected to range between 1.60x and 2.24x over the forecast period.

⁶³ After making the specified current revenue transfers from the Department's Revenue Fund, approximately \$0.5 million will remain in the Capital Improvement Fund at the end of FY 2023 to fund capital projects beyond the forecast period.

9.0 Findings and Conclusions

9.1 Consulting Engineer's Findings and Conclusions

As discussed in Sections 1.2 and 6.3, information presented in this report was developed through a detailed though abbreviated study of relevant documents (as listed in Appendix II), site visits to System facilities, and interviews and discussions with Department and County staff. Provided below are findings and conclusions of BC staff, who provided Consulting Engineering services, engaged for this review.

1. Based upon general field observations of the above ground facilities, discussions with ESD staff, and a review of documents and reports provided and filed with regulatory agencies, the facilities of the System appear to be in good operating condition.
2. The Department's staff is qualified and capable of managing and operating the facilities comprising the System and for planning the proposed and future capital improvements.
3. The System appears to be adequately operated and maintained in accordance with customary utility practice and can reasonably be expected to provide sufficient and reliable service to meet the existing and projected requirements of the System.
4. The capacity of the System, taking into account planned renewals, replacements and additions, can reasonably be expected to meet the service area's needs for the forecast period and meet the regulatory compliance needs of the System.
5. During the course of the investigations, nothing has come to our attention that would lead us to believe that significant funds will be required for System improvements beyond those funds identified herein.
6. Except as described herein, upon issuance of the Series 2013 Sewer Warrants, all wastewater treatment plants of the System will be operating under valid permits issued by the requisite regulatory authorities, and it is anticipated that any expired wastewater permits will be renewed as a matter of course without a material reduction in maximum permitted discharge levels.
7. The ongoing Consent Decree and associated regulatory issues identified within this report have been addressed by the Department or are being addressed in the course of implementing the capital and O&M program described herein.
8. The Department should fund asset renewal and replacement at the proposed levels and prioritize those expenditures to continue to reduce SSOs and collection system issues which contribute to SSOs.
9. The Department's projected Operating Expenses are reasonable given the current condition of the System and the associated Capital Improvement Program described herein.
10. The Department's projected capital expenditures are reasonable, necessary and adequate to meet regulatory requirements and provide reliable wastewater service to the System's customers.

9.2 General Findings and Conclusions

The Consulting Engineer's reviews and evaluations, in conjunction with information provided by the Department, have supported a detailed review of the System, its recent history and financial circumstances and development of projections of revenues, operating expenses, and capital project expenditures for the forecast period FY 2014 – FY 2013. These projections have been used to evaluate the financial feasibility of the Series 2013 Sewer Warrants and project the financial performance of the System with their issuance. These projections result in the following general findings and conclusions:

1. Projected revenue generation is dampened by limited projected growth in the numbers of accounts served, in combination with continuing declines in per account water consumption due to both price-induced and non-price factors impacting consumption patterns.
2. The County's service rates, despite the absence of rate increases between January 2008 and March 2013, are among the highest in the United States among major metropolitan areas. Rate increases contemplated under the County's bankruptcy Plan of Adjustment will exacerbate the burden imposed on County ratepayers.
3. The Department has made significant efforts to reduce annual O&M expenses and staffing to date. At this point, some staffing additions are required. Nevertheless, the Department is projected to continue to reduce (in current dollar terms), though marginally, O&M expenses over the forecast period through efficiencies made available by implementation of Information Technology and other factors.
4. Though the Department has made significant investments in System facilities to date, prospective requirements in the 10-year forecast period are significant, driven by Consent Order requirements and the prospective need to finance Phosphorus removal upgrades at selected WWTPs. Capital project requirements are anticipated to stabilize at approximately \$65 million per annum in current dollar terms by the end of the forecast period.
5. Given that the Series 2013 Sewer Warrants debt service schedule contemplates increasing requirements that will consume System revenue increases incorporated into the Plan of Adjustment, additional rate increase requirements above those in the Plan of Adjustment are anticipated to finance prospective capital improvement requirements beyond FY 2023.
6. The financial projections reported herein demonstrate that the County can support the Series 2013 Sewer Warrants throughout the forecast period from System revenues derived primarily from Commission approved sewer rates and charges.

Appendix I: Approved Rate Schedule

The Department's Approved Rate Structure defined within the Plan of Adjustment for FY 2014 through FY 2023 is provided in the table below.

**Table Appendix I
FY 2014 – FY 2023 Approved Rate Schedule**

| | Adopted ¹ | Enacted ² | FY 2014 | FY 2015 | FY 2016 | FY 2017 | FY 2018 | FY 2019 | FY 2020 | FY 2021 | FY 2022 | Enacted ² | FY 2023 |
|----------------------------------|---------------------------|----------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------------------|---------|
| <i>Proposed Rate Increase</i> | <i>varies³</i> | 7.89% | 7.89% | 7.89% | 7.89% | 7.89% | 7.89% | 3.49% | 3.49% | 3.49% | 3.49% | 3.49% | 3.49% |
| <i>Residential Customers</i> | | | | | | | | | | | | | |
| Base charge ⁴ | \$15.00 | \$16.19 | \$17.47 | \$18.85 | \$20.34 | \$21.05 | \$21.79 | \$22.56 | \$23.35 | \$24.17 | | | |
| Per CCF, 1-3 | \$4.50 | \$4.86 | \$5.25 | \$5.67 | \$6.12 | \$6.34 | \$6.57 | \$6.80 | \$7.04 | \$7.29 | | | |
| Per CCF, 4-6 | \$7.00 | \$7.56 | \$8.16 | \$8.81 | \$9.51 | \$9.85 | \$10.20 | \$10.56 | \$10.93 | \$11.32 | | | |
| Per CCF, 7 & above | \$8.00 | \$8.64 | \$9.33 | \$10.07 | \$10.87 | \$11.25 | \$11.65 | \$12.06 | \$12.49 | \$12.93 | | | |
| <i>Non-Residential Customers</i> | | | | | | | | | | | | | |
| Base charge ⁵ | \$43.50 | \$46.94 | \$50.65 | \$54.65 | \$58.97 | \$61.03 | \$63.16 | \$65.37 | \$67.66 | \$70.03 | | | |
| Per CCF | \$7.87 | \$8.50 | \$9.18 | \$9.91 | \$10.70 | \$11.08 | \$11.47 | \$11.88 | \$12.30 | \$12.73 | | | |

1 - Rates were adopted by the County Commission on September 26, 2013 and will be implemented on November 1, 2013

2 - These rates only go into effect if the County's bankruptcy Plan of Adjustment is confirmed and the transaction is consummated by January 1, 2014.

3 - The rate increase for the base charge (which is applied by meter size to both residential and non-residential customers) is 50%, the non-residential volumetric rate increase is 3.49%, and the residential volumetric rates (including block structure) do not change.

4 - Assumes residential customer with 5/8 inch meter.

5 - Assumes non-residential customer with 2 inch meter.

Appendix II: Data Sources

1. United States of America v. Jefferson County, Alabama, et al., Civil Action No. 94-G-2947-S, and R. Allen Kipp, Jr. et al. and Cahaba River Society, Inc. v. Jefferson County, Alabama, et al., Civil Action No. 93-G-2492-S
2. Jefferson County's Memorandum In Support of Eligibility, pp. 17-34, filed in In re Jefferson County, Alabama, Case No. 11-05736-TBB9, United States Bankruptcy Court for the Northern District of Alabama, Nov. 9, 2011 ("Memorandum In Support of Eligibility").
3. Jefferson County Rate Resolution dated November 4, 2012
4. Jefferson County, Alabama Sewer Revenue Restructuring Amended Financing Plan dated July 22, 2013
5. The Water Works Board Of The City Of Birmingham's And The City Of Bessemer's Objection To Disclosure Statement Regarding Chapter 9 Plan of Adjustment For Jefferson County, Alabama In the United States Bankruptcy Court For The Northern District Of Alabama, Southern Division In Re: Jefferson County, Alabama, Case No. 11-05736-TBB
6. Jefferson County Sewer Use Charge Ordinance Adopted November 6, 2012, Amended And Restated By Resolution Dated September 23, 2013, effective November 1, 2013
7. Engineering News Record, City Cost Index History - Birmingham - As of September 2013
8. Monthly billing and transaction adjustment data files for Bessemer, July 2011 through June 2012
9. Monthly billing files for BWWB, July 2011 through June 2012 and billing report adjustments
10. Annual billing file for customers direct-billed by Jefferson County, July 2011 through June 2012
11. Various post-meter reading billing adjustment summaries, prepared and provided by ESD
12. Jefferson County Environmental Services Department, *Sewer System Customer and Water Demand Study*, American Water Works Service Co., June 2011
13. Jefferson County Environmental Services Department, *Sewer Cost Allocation and Rate Study*, Black and Veatch, June 10, 2011
14. Black and Veatch rate model, *B&V June 2011 Final.xls*
15. Historical revenue information by account provided by ESD
16. Account and consumption statistics by month, summarized and provided by ESD
17. Annual senior lien and subordinate debt service forecasts prepared by Citigroup
18. Jefferson County Commission audited financial statements, FY 2006 – FY 2012
19. Jefferson County Commission, *Revenue Guide*, FY 2013
20. Jefferson County, Alabama, *Sewer Revenue Refunding Warrants, Series 2003-B*
21. Sewer Fund 2013 Trial Balance provided by County Finance Department

22. Preliminary and unaudited FY 2013 revenue and expense estimates prepared by County Finance Department
23. *2012 Water and Wastewater Rate Survey*, American Water Works Association (AWWA) and Raftelis Financial Consulting, (2013)
24. *Cash Flow Summary (October 22, 2013)* prepared by Public Resources Advisory Group (PRAG)
25. Updated industrial strength loadings and flows by surcharge customer provided by ESD on September 9, 2013
26. *Surcharge payment history Oct 2012 thru Sept 2013.xls* prepared by ESD
27. Birmingham, AL monthly climatological reports prepared by the National Weather Service
28. Cahaba River Wastewater Treatment Plant NPDES Permit AL0023027 issued November 30, 2017
29. Five Mile Creek Wastewater Treatment Plant NPDES Permit AL0026913 issued February 28, 2014
30. Leeds Wastewater Treatment Plant NPDES Permit AL0067067 issued June 30, 2016
31. Prudes Wastewater Treatment Plant NPDES Permit AL0056120 issued March 31, 2014
32. Trussville Wastewater Treatment Plant NPDES Permit AL0022934 issued November 30, 2017
33. Turkey Creek Wastewater Treatment Plant NPDES Permit AL0022926 issued February 28, 2015
34. Valley Creek Wastewater Treatment Plant NPDES Permit AL0023655 issued October 31, 2016
35. Village Creek Wastewater Treatment Plant NPDES Permit AL0023647 issued July 31, 2018
36. Warrior Wastewater Treatment Plant NPDES Permit AL0050881 issued October 31, 2015
37. US EPA Enforcement & Compliance History Online (ECHO) <http://www.epa-echo.gov/echo/index.html>
38. Municipal Water Pollution Prevention (MWPP) Annual Report Calendar Year 2012 for the Jefferson County Wastewater Treatment Plants
39. Telephone interview with Brad Ammons, EPA Region IV
40. Telephone interview with Michael Hom, EPA Region IV
41. Telephone interview with Daphne Smart, Alabama Department of Environmental Management (ADEM)
42. Telephone interview with Nick Caroway, ADEM
43. Telephone interview with Chris Johnson, ADEM
44. Telephone interview with Linn Sisk, ADEM
45. Jefferson County 40 Year ESD Budget Review, dated December 18, 2012. Printout of presentation materials by CH2MHILL.
46. Jefferson County Commission; BMO FY 2012 Adopted Expenditure Budgets, pages 1-6

47. Jefferson County Commission; Revenue Comparisons FY 2011-FY 2012
48. Jefferson County Commission; Fiscal Year 2012-2013 Operating/Capital Budget
49. Resolution "Coversheet"; stamped Approved by the Jefferson County Commission; dated 9-26-12, Minute Book: 163; Pages: 575
50. Jefferson County Commission BMO Summary of Operating Budgets Departmental request; All Operating Funds, pages 1-6; dated 2/1/2013, 8:54AM.
51. Jefferson County ESD; WWTP plant descriptions for Cahaba, Five Mile, Leeds, Prudes, Trussville, Turkey Creek, Valley Creek, Village Creek, Warrior, and the Scotts Branch Pretreatment Facility.
52. ESD position strength; dated 11/02/12; pages 171-196
53. Fleet listing - Jeffco_rates_0131741 thru 0131748, and, Jeffco_rates_0131716 thru 0131740
54. Jefferson County Environmental Services Department Operating and Capital Expense Projections; Preliminary, Subject to Change; revised 2/19/2013; 2006 to 2011 (actual); 2012 (projected); 2013 to 2041 (estimated)
55. Jefferson County ESD 15 year Capital Plan Summary; 2011 thru 2043
56. 15 year CIP schedule 2012-2022
57. Jefferson County ESD Long Term CIP Projection for Buried Infrastructure; Jeffco_Rates_0132253
58. Public Hearing Presentation and Public Comments; June 12, 2012, by David Denard, Director, Jefferson County ESD; Pages 1-15
59. Personnel Plan; 571681; Pages 1-11
60. ESD FY 2014 Budget Pie Chart
61. Infor EAM printout; WO Cost by type, Cost Code, or Dept, dated 07/02/2013, 07:17, Jefferson County, Alabama, page 1.
62. By WO type, dated 07/02/2013, 07:31, Jefferson County, Alabama, page 1.
63. Pump station information; listing of pump stations, location (address), City; number of pumps/HP/Volt/Phase GPM/TDH etc.
64. 2012.12.05; CH2M HILL e-mail; ESD Pump Station Inspections at Coleman Lakes, Hoover, Lake Crest, Magnolia Trace, Morgan Greenwood #1&2, Patton Creek #2, Rice Creek and River Chase.
65. ESD Monthly Division Reports, for Sept. 2012, for Cahaba, Leeds, Trussville, Turkey Creek, Warrior, Valley Creek and Village Creek. Also, Mar. 2012 report for Five Mile and Prudes.
66. 1112 FleetList.xls, all departments.
67. BAM field notes from plant site visits; 8/20 to 8/22, 2013.

68. Additional technical documentation:

- A. 2012.11.29 Email - draft of data request
 - 1. Chlorine - Village.pdf
 - 2. Lime- Village.pdf
 - 3. Polymer-Village.pdf
 - 4. Sulfur Dioxide-Village.pdf
 - 5. ~Email - draft of data request.pdf
 - 6. ~Email Attachment - Data Request - Village Creek WWTP.pdf
- B. 2012.11.29 Email - JeffCo ESD Info
 - 1. A-14.Summary of ESD O&M.pdf
 - 2. A-15.American Water Report on Operations.pdf
 - 3. A-16.ESD Capital Improvement Plan.pdf
 - 4. ~Email - JeffCo ESD Info.pdf
- C. 2012.11.30 Email - Additional information provided 2Zip
 - 1. Chemicals
 - i. Leeds
 - 2012.11.27 Email - Data Request.pdf
 - Alum Information.pdf
 - Alum Price 2013.pdf
 - Copper Buster Information.pdf
 - ii. Turkey
 - 2012.11.27 Email - Data Request.pdf
 - SCAN101.pdf
 - SCAN102.pdf
 - SCAN103.pdf
 - iii. Valley
 - 2012.11.27 Email - Data Request.pdf
 - iv. Village
 - 2. CMOM
 - i. CAP
 - CAP Revision EPA Letter.PDF
 - Capacity Assurance Program -final.pdf
 - ii. MOM_1-29-08 with responses added2.pdf
 - iii. SSORRP FINAL JULY 2012_1 TOTAL.pdf
 - 3. 2012#N4P.PDF
- D. 2012.11.30 Email - CH2M HILL data request - O&M CIP Review 1 of 2
 - 1. 2012#VJ7.PDF
 - 2. Q1 2012.pdf
 - 3. Q2 2012.pdf
 - 4. Q3 2012.pdf
 - 5. Q4 2011.pdf
 - 6. qt 3-12 summary deliverables.pdf

-
- E. 2012.11.30 Email - CH2M HILL data request - O&M CIP Review 1 of 2 (1)
 - 1. 2012 Budget
 - i. 2012 EXP 10312012.pdf
 - ii. ESDFY2012MonthlyEXP.pdf
 - 2. 2013 Budget
 - i. ESD 2013 Adopted Budget.pdf
 - ii. ESD 2013 Budget Presentation.pdf
 - 3. Assets
 - i. Fund 7034 Asset listing at 093011babc xls.pdf
 - ii. Infor_Active_Assets_20121127.pdf
 - 4. Biosolids
 - i. 2011 EPA ANNUAL BIOSOLIDS REPORT _Flat Top_.pdf
 - 5. CIP
 - i. 2012 ESD CIP 1172012.pdf
 - 6. Coll Sys
 - i. COLL#OXN.PDF
 - ii. rpt_Jefferson_Co_AL_Phase_2_FORTE_final_091312.pdf
 - 7. Flows
 - i. ESD 3 yr annual avg daily flows.pdf
 - ii. FY2012 Flow Reports all plants final v 1 1.pdf
 - 8. Lab
 - i. Copy of DMR Violation Study FY 2012.pdf
 - ii. COPY#E2H.PDF
 - 9. OpExCapEx
 - i. ESD OpexCapex Plan 10-31-2012.pdf
 - 10. Pump Stations
 - i. GENERATOR INFORMATION.pdf
 - 11. SSO
 - i. FY2012 SSOs.pdf
 - 12. Staffing
 - i. Department Org Charts
 - ii. American Water Staffing.pdf
 - iii. ESD Historical Staffing Levels.pdf
 - iv. Staffing Plan.pdf
 - 13. WWTP Flow Schematics
 - i. CAHA#WW@.PDF
 - ii. CAHA#Z1F.PDF
 - iii. FIVE#DBO.PDF
 - iv. LEED#U10.PDF
 - v. Prudes Flow Diagram 4.21.2011.pdf
 - vi. TRUS#QX0.PDF
 - vii. Turkey Flow Diagram 4.21.11.pdf
 - viii. Valley Creek - Flow Schematic.pdf
 - ix. Village Creek - Flow Schematic.pdf
 - x. Warrior Flow Diagram.pdf

14. 2012#1U7.PDF
- F. 2012.11.30 Email - cMOM information
 1. CAP Revision EPA Letter.PDF
 2. Capacity Assurance Program -final.pdf
 3. MOM_1-29-08 with responses added2.pdf
 4. SSORRP FINAL JULY 2012_1 TOTAL.pdf
 5. ~Email - cMOM information.pdf
- G. 2012.11.30 Email - Various plant information
 1. 7301Cahaba September 2012.pdf
 2. 7302 Five Mile & Prudes Monthly Report.pdf
 3. 7303LeedsSeptember2012.pdf
 4. 7304TrussvilleSeptember2012.pdf
 5. 7305Turkey Creek September 2012.pdf
 6. 7305Warrior September 2012.pdf
 7. 7306ValleyCreekSeptember2012.pdf
 8. 7307VillageCreek September 2012.pdf
 9. 7313Pump Station O&M Sept 2012.pdf
 10. ~Email - Various plant information.pdf
- H. 2012.12.03 Email - CH2M HILL data request -CMOM
 1. 2012 PS run time ranking.pdf
 2. COUNTY RESPONSE TO EPA REVIEW COMMENTS.pdf
 3. EPA APPROVAL LETTER.pdf
 4. EPA REVIEW COMMENTS.pdf
 5. Exhibit B Scope of Work Asset Management - Final BOC.pdf
 6. ~ Email - CH2M Hill data request -CMOM.pdf
- I. 2012.12.05 Email - ESD Pump Station Inspection Forms
 1. 150 459 Lift Station Inspection.pdf
 2. Coleman Lakes Lift Station Inspection.pdf
 3. Hoover Lift Station Inspection.pdf
 4. Lake Crest Lift Station Inspection.pdf
 5. Magnolia Trace Lift Station Inspection.pdf
 6. Morgan Greenwood No 1 Lift Station Inspection.pdf
 7. Morgan Greenwood No 2 Lift Station Inspection.pdf
 8. Patton Creek No. 2 Lift Station Inspection.pdf
 9. Rice Creek Lift Station Inspection.pdf
 10. Riverchase Lift Station Inspection.pdf
 11. ~Email - ESD Pump Station Inspection Forms.pdf
- J. 2012.12.05 Email - Pump Station Condition Assessment
 1. Alabama Blvd. Lift Station Inspection.pdf
 2. Belmont #1 Lift Station Inspection Template.pdf
 3. Belmont #2 Lift Station Inspection Template.pdf
 4. Birmingham Race Course Station Inspection.pdf
 5. Coosa Avenue Lift Station Inspection.pdf
 6. Medical Center East Lift Station Inspection.pdf
 7. Overton Road #1 Lift Station Inspection.pdf

- 8. Overton Road #2 Lift Station Inspection.pdf
- 9. Trussville NE Lift Station Inspection.pdf
- 10. ~Email FW Pump Station Condition Assessment.pdf
- K. 10 States Standards - Recommended Standards for Wastewater Facilities.pdf
- L. 2012.11.29 Email - O&M Review.pdf
- M. 2012.11.28 Email - Up and Down Stream Sampling.pdf
- N. 2012.11.29 Email - Position Strength Report.pdf
- O. 2012.12.01 Email - Cahaba River WWTP & Trussville WWTP Permits.pdf
- P. 2012.12.05 Email - Operating Budget question.pdf
- Q. 2012.12.06 Email - Operating Budget question (2).pdf
- R. CMOM_guide_for_collection_systems[1].pdf
- S. Email - Collection System staffing estimator.pdf
- T. SECTION 4 Pump Station Maintenance.pdf
- U. WEF Wet Weather Guide.pdf
- V. WERF Planning Level OM estimating models.pdf
- W. Environmental Services FY 2013 Budget Summary.pdf
- X. Chart.pdf
- Y. Handwritten Notes.pdf
- Z. ESD OpexCapex Plan 9-21-12.pdf

Appendix III: Billing Cost Considerations

Billing and Remittance Processing

The County has contracted with the Birmingham Water Works Board (BWVB) and the City of Bessemer to provide billing, remittance processing, and customer service call center services for County sewer customers who are also customers of BWVB and Bessemer. The most recent 3-year average actual cost for billing services – across accounts billed by BWVB, Bessemer, and the County- was \$5,173,507. The Department currently budgets \$5,175,000 for billing services. Given a combined (e.g., residential and non-residential) account population of 142,063 accounts, the unit cost for billing services is approximately \$3.04 per bill. ($\$5,175,000 / 142,063 \text{ accounts} / 12 \text{ months}$).^{64,65}

Investigation of the basis for these billing service costs⁶⁶ suggests that some cost savings may be realized. The cost basis for each billed population is summarized as follows:

- BWVB charges for billing services at a cost of 3.43% of the payments received. The billing fees are based on a formula which splits out the cost of the acquisition of consumption data, and includes a variety of other costs including meter depreciation, vehicle depreciation, Utilicorder depreciation, and office rental expenses.
- Bessemer is currently paid a flat fee of 8% of payments⁶⁷ based on an agreement dating back to 1958.
- The County bills and processes payments for the cities of Irondale, Trussville, Leeds, Mulga, Graysville, and Roupes Valley. Irondale and Trussville charge the County for consumption data at a cost of 1.51% and 1.50% of payments respectively.⁶⁸

In the event that the County implements its own CIS and billing system, savings may be realized through negotiated reductions in the charges for services rendered by BWVB and Bessemer insofar as the County will only be requiring acquisition of water consumption data.

⁶⁴ Minor differences may result due to changes in the numbers of accounts over a given fiscal year. Differences may also prevail across billing service providers. This analysis may be refined down to the billing entity level with additional information to support the actual billing service cost per entity

⁶⁵ The services provided by the BWVB and Bessemer also include customer call center services that are not typically performed by retail lockbox operations. Some third party retail lockboxes with industry focus provide value added services in addition to billing and remittance processing.

⁶⁶ As discussed later in this Section, the basis of the billing service fee charges for Bessemer does not enable the County to lower costs by increasing electronic payments. Similarly, in the case of BWVB, it is not apparent that reductions in cost due to increased use of EFT, ACH, credit card, and debit card transactions are accounted for in the basis for their charges to the County.

⁶⁷ Report and scanned image of invoice that includes methodology for the calculation of fees provided by the Department's Billing and Customer Service Division.

⁶⁸ Report and scanned image of invoice that includes methodology for the calculation of fees provided by the Department's Billing and Customer Service Division.

In addition, based on industry trends, it may be possible to significantly reduce the cost of remittance processing of the County's utility payments. The current state of the remittance processing industry reflects a number of changes that are restructuring the market including:

- Changing consumer behavior in the adoption of electronic payment options
- New standards and technologies
- Rising costs of processing paper-based payments
- Free consumer services provided by banking institutions, and
- IT infrastructure

These trends are impacting the decision models for sourcing (internal vs. external) billing and remittance processing services. Financial industry experts explain that the cost of paper billing and remittance processing is increasing rapidly due to the impact of customer adoption of alternative payment options. For example, smart phone based payments have increased the ease of making an electronic payment, and many entities employ direct payment options to allow customers to access biller websites or interactive voice response systems. In order to take advantage of these payment options, utilities must have systems that are certified to handle credit card payments or to take on other forms of automated financial transactions.^{69,70} Many utilities have in place such systems to support overall customer call center operations, and this functionality will ultimately be required for the County to achieve remittance process efficiencies. In addition, the County may employ a CIS and billing system, in conjunction with its customer service call center, to shift the mix of payment types (i.e. percentage of paper bill versus other electronic forms which have different cost profiles) to provide additional cost reductions. Utilities can view the various forms of payments as a portfolio of options that can be used to optimize costs over time as adoption of electronic payments increases.⁷¹

Inclusive of costs associated with CIS and billing system operation, annual operating expense savings are estimated at \$873,500 (current dollars) following implementation of a new utility billing system. The basis for the estimated reduction in annual operating expenses⁷² from \$5,175,000 to approximately \$4,300,000 per year (current year dollars) is as follows:

1. Elimination of fees for acquiring consumption data from the Irondale and Trussville. Leeds, Mulga, Graysville, and Roupes Valley do not charge the County for consumption data.
2. Lowering of BWWB service cost charges commensurate with the billing process being moved to the Department. Cost of consumption data provision is assumed to be in the range of 1.5% of payments consistent with currently experienced transactions with Irondale and Trussville.
3. Leveraging volume cost breaks by placing payment processing on a financial services platform that consolidates payments across a number of entities in the Birmingham market

⁶⁹ Noncash Payment Trends in the United States: 2006 – 2009, Federal Reserve, 2010 - There were 5.3 billion fewer checks written in 2009 than in 2006, a decline of 5.7% per year.

⁷⁰ See Plymouth, Kathy and Martin, Jody, Bill Payment Trends, First Data Corporation, 2009

⁷¹ This can be a passive or proactive process in that customer scan be channeled toward options over time.

⁷² Charging a convenience fee with a slight markup for electronic transactions is also a common practice that could help defray the cost of remittance processing overall.

4. Changing the payment mix by offering increased options for electronic payment (i.e. EFT, ACH, Debit, Remote Check, etc.) and proactively channeling willing customers to the lower cost payment options. Currently, the County is unable to benefit from lower cost electronic payments for some of its customers based on the current pricing models.
5. Implementing systems that support new forms of payments. Regulations require that systems be certified for handling electronic payments. The current COBOL system is not capable of handling these transactions.
6. Reduction of float time – perhaps by 1 day with all accounts local - due to lockbox processes that receive mail 10 – 20 times per day.

Paper Billing and Remittance Processing

BWWB and the County's other billing partners' charges are largely driven by the cost attributed to the acquisition of consumptive use data and costs of the customer service function. As the Department evaluates alternative billing service options, the Department will need to consider costs associated with processing of paper transactions. The following information illustrates the types of cost drivers that the Department face in its discussions with bank lockbox vendors. These costs are currently embedded in the billing service fees paid to BWWB.

Based on financial service industry literature delineating customary charges for paper bill production, the table below provides an estimate of the "front-end" paper billing process. Each cost is broken out to show the cost drivers for this portion of the process. The cost of mailing bills through mail merge vendor is estimated at about \$0.78 per item. Typical utility bills will include a 8.5"x11" billing document and return envelope. Using bulk mail services, the estimated postage cost is around 35 - 40 cents per item. The tables below are provided to show the distribution of costs for remittance processing from a financial services perspective. Current billing service charges are based largely on the cost to acquire consumption data and not the cost of the financial transactions.

Table AIII-1
Customary Charges for Paper Billing Processes*

| Estimated Paper Bill Cost | Billing Process Perspective | | | |
|--|-----------------------------|--------------------|----------------|---------------------------|
| | Percentage of Cost | Cumulative Percent | Benchmark Cost | Cumulative Benchmark Cost |
| Cost of envelope | 10.3% | 10.3% | \$0.08 | \$0.08 |
| Cost of custom return envelope | 15.4% | 25.6% | \$0.12 | \$0.20 |
| Cost of paper for invoice | 6.4% | 32.1% | \$0.05 | \$0.25 |
| Cost of printing for invoice | 6.4% | 38.5% | \$0.05 | \$0.30 |
| Cost of paper for an additional PSA stuffer | 6.4% | 44.9% | \$0.05 | \$0.35 |
| Cost of printing the "stuffer" | 9.0% | 53.8% | \$0.07 | \$0.42 |
| Cost of postage | 44.9% | 98.7% | \$0.35 | \$0.77 |
| Cost of labor to stuff and seal envelope** | 1.3% | 100.0% | \$0.01 | \$0.78 |
| Estimated Unit Cost for Paper Billing | 100.0% | | \$0.78 | |

* Source: Derived from Warner, John, "What is the Real Cost of Paper versus Electronic Billing or Invoicing," Electronic Invoicing, February 2011

** Interview with industry vendor

The remittance process perspective in Table AIII-2 below uses current Department budget and the financial industry benchmark cost distributions to derive detailed cost drivers of the remittance process – assuming that the activities would be performed by a bank lockbox.⁷³

Typically, the cost of processing paper items through a bank lockbox is about 15 to 25 cents per transaction. Retail lockboxes MICR encode and scan checks for deposit within the remittance process in lieu of this process remaining a separate function performed by the bank. (i.e. most banks charge about 5.5 cents per item to encode checks). The cost of encoding checks is included in the lockbox cost of 15 – 25 cents.⁷⁴ The cost of handling exceptions payments increases the overall cost of processing payments through a lockbox. The range of services provided in the table below shows the typical distribution of costs for lockbox remittance processing services. Additional services such as returned items, bank advices and investigations, address changes, name changes are all items that can be done through the lockbox or the customer may elect to have any exception returned to the utility for further processing to manage costs. Volume of transactions is also a key determinant of unit cost for lockbox remittance processing. Each vendor will have a volume pricing scale based on the vendors' business strategy and market focus.

Table AIII-2
Remittance Process Perspective Using Current County Billing Costs*

| Activity | Remittance Process Perspective | |
|-----------------------------|--------------------------------|--------------------|
| | Percentage of Paid Hours | Cumulative Percent |
| Mail Preparation | 5.0% | 5% |
| Mail Opening | 31.0% | 36% |
| Keying | 28.0% | 64% |
| Transaction Balancing | 4.0% | 68% |
| Encoding | 6.0% | 74% |
| Sorting | 0.5% | 75% |
| Deposits | 4.0% | 79% |
| Cash Letter | 0.0% | 79% |
| Account Reconciliation | 1.0% | 80% |
| Exceptions Research | 7.0% | 87% |
| Posting | 1.0% | 88% |
| Return Items | 1.0% | 89% |
| Bank Advices/Investigations | 1.0% | 90% |
| Address Change | 1.0% | 91% |
| Name Change | 0.5% | 91% |
| Other | 9.0% | 100% |
| Total Paid Hours | 100% | |

Source: Derived from TAWPI/Dove Consulting 2005

⁷³ Assumes activities are performed by a bank lockbox

⁷⁴ Peagler, Correggio, Billing and Collection Study, FORTIS Financial

The per-item cost is ultimately dependent on which services are chosen to be performed internal to the department versus outsourced.

Paper Billing Frequency

The Birmingham Water Works Board (BWWB) and Bessemer currently process payments for sewer service on a monthly cycle. Based on an estimated unit rate of \$3.04, for the existing outsourced model, opportunities may exist for reduction in processing costs through changing the frequency of billing, as illustrated below.⁷⁵

| Billing Frequency | Billing Cost Per Customer Calculation | Annual Total per Customer | Total Annual Cost |
|-------------------|---------------------------------------|---------------------------|-------------------|
| Monthly | \$3.04 x 12 months | \$36.43 | \$4,736,665 |
| Bi-monthly | \$3.04 x 6 bi-monthly billings | \$18.24 | \$2,371,583 |
| Quarterly | \$3.04 x 4 quarterly billings | \$12.16 | \$1,581,055 |

Implementation

Improving the unit cost of billing and remittance processing is supported by choosing appropriate models, making options available to consumers, and managing information in a manner that gives confidence to the consumer regarding privacy and security of information. The benefit of implementing a CIS and Billing system goes beyond the unit cost optimization of billing and remittance processing. The ability to provide responsive customer service and to facilitate decision-making is also important. However, several issues will need to be addressed.

Interagency agreements would need to be in place to support data sharing of consumption data to support sewer bill calculation if the department chooses to move this process from the BWWB or Bessemer. In addition, a process for addressing non-payment of a sewer bill would need to be established. With combined billing, if a customer does not pay their bill, water service can be cut off until payment is received. In the split billing approach, ordinances may need to be put in place to similarly enable the County to have water service providers cut a water customer's service due to non-payment of the sewer bill although the water service account is current.

⁷⁵ Reducing billing frequency may be seen as an additional hardship for customers on a tight budget month to month.

APPENDIX F

CHARGE ORDINANCE AND APPROVED RATE STRUCTURE

[THIS PAGE INTENTIONALLY LEFT BLANK]

**JEFFERSON COUNTY
SEWER USE CHARGE ORDINANCE
ADOPTED NOVEMBER 6, 2012
AMENDED AND RESTATED BY RESOLUTION DATED SEPTEMBER 23, 2013
EFFECTIVE NOVEMBER 1, 2013**

This document is provided as a convenience to the public. The official ordinance and amendments thereto are contained in the office of the Minute Clerk of Jefferson County in Minute Book 164, pages 38 to 81. In the event of a discrepancy between any words or figures contained in this document and those contained in the official minutes of the Jefferson County Commission, the words and figures reflected in the official minutes shall govern.

JEFFERSON COUNTY SEWER USE CHARGE ORDINANCE

Table of Contents

| | |
|--|----|
| ARTICLE I. GENERAL PROVISIONS | 1 |
| A. Purpose and Policy | 1 |
| B. Definitions..... | 1 |
| ARTICLE II. BILLING UNITS..... | 6 |
| A. Volume Determination..... | 6 |
| 1. Residential Users..... | 6 |
| 2. Non-Residential Users..... | 6 |
| B. Impact Fee Units..... | 6 |
| 1. Fixtures..... | 7 |
| 2. Food Service Establishments | 7 |
| 3. Alternate Waste Disposal (Septic) System Conversion | 7 |
| 4. Non-Residential..... | 8 |
| ARTICLE III. ADJUSTMENTS AND CREDITS..... | 9 |
| A. Sewer User Adjustments..... | 9 |
| B. Adjustment Limitations | 9 |
| C. Credit for Existing Fixtures | 9 |
| D. Exemptions | 10 |
| E. Refund of Impact Fees | 10 |
| F. Private Meters | 10 |
| ARTICLE IV. FEES, CHARGES, AND PENALTIES..... | 12 |
| A. Sewer Use Charges | 12 |
| 1. Residential..... | 12 |
| 2. Non-residential..... | 12 |
| 3. Monthly Base Charge..... | 13 |
| 4. Billing Frequency..... | 13 |
| B. Private Meter/Pool Processing Fee..... | 13 |
| C. Non-Resident Users | 13 |
| D. Industrial Waste Surcharges | 13 |
| 1. Industrial User Surcharges | 14 |
| 2. Sampling and Analysis..... | 14 |
| 3. Miscellaneous Fees | 14 |
| 4. Hauled Wastewater | 14 |
| E. Sewer Impact Fees | 15 |

| | |
|--|----|
| 1. Fixture Rate..... | 15 |
| 2. Alternate Waste Disposal System Conversion..... | 15 |
| 3. Impact Fees Refund..... | 15 |
| F. Sewer Connection Fees..... | 16 |
| G. Grease Trap Fees..... | 16 |
| H. Billing Fees..... | 17 |
| ARTICLE V. GENERAL PROVISIONS..... | 18 |
| A. Validity..... | 18 |
| B. Severability..... | 18 |
| C. Penalties..... | 18 |
| ARTICLE VI. ORDINANCE IN FORCE..... | 19 |
| A. Date Effective..... | 19 |
| B. Date Adopted..... | 19 |

ARTICLE I. GENERAL PROVISIONS

A. Purpose and Policy

This ordinance establishes sewer charges for those whose sewerage is disposed of or treated by the wastewater collection and treatment system for Jefferson County, Alabama. This ordinance contains the Commission's reasonable and nondiscriminatory rules and regulations fixing rates and charges for sewer service, providing for the payment, collection, and enforcement thereof, and the protection of its property.

This ordinance shall apply to all System Users in Jefferson County and to persons outside the County who are, by contract or agreement with the County, Users of the System. Except as otherwise provided herein, the Environmental Services Department shall administer, interpret, implement, and enforce the provisions of this ordinance. Where not specifically provided herein, the provisions of this ordinance shall be enforced and interpreted consistent with the "Jefferson County Sewer Use Administrative Ordinance."

B. Definitions

Unless the context specifically indicates otherwise, the meaning of terms used in this Ordinance shall be as follows:

1. "ADEM" shall mean the Alabama Department of Environmental Management or its duly authorized deputy, agent, or representative.
2. "All contributors" denotes any Person or Owner contributing wastewater to the System.
3. "BOD₅" (denoting five day biochemical oxygen demand), shall mean the quantity of oxygen utilized in the biochemical oxidation of organic matter under standard laboratory procedure in five days at 20 degrees C, expressed in milligrams per liter by weight. BOD shall be determined by standard methods as hereinafter defined.
4. "Billed Volumetric Units" shall mean the total metered volume of water after application of the Return Factor (see Article II.A)
5. "COD" shall mean chemical oxygen demand as determined by standard test methods.
6. "Condensate" shall mean liquid water resulting from the change of water vapor to liquid by the use of traditional air conditioner units or water heaters.
7. "Constituents" shall mean the combination of particles, chemicals or conditions existing in the wastewater.
8. "Consumption" shall mean the amount of water used, as measured by a water meter using a given unit of measure.

9. "Cooling Water" shall mean the water discharged from commercial air conditioning, cooling or refrigeration sources such as chillers and cooling towers.
10. "Cu. Ft." denotes cubic feet.
11. "County" shall mean the Jefferson County Commission or its employees, duly authorized agents or representatives.
12. "Director" shall mean the Director of the Environmental Services Department or his designee.
13. "Environmental Services Department" or "ESD" shall mean the County department that has direct responsibility for the maintenance, management and operations of the Sewer System.
14. "FOG" shall mean fats, oils, and grease.
15. "Grease Control Device" shall mean any grease interceptor, grease trap or other approved mechanism, device or process, which attaches to, or is applied to, wastewater plumbing fixtures and lines, the purpose of which is to trap, collect or treat FOG prior to the balance of the liquid waste being discharged into the System.
16. "Grease Interceptor" shall mean an indoor device located in a food service facility or under a sink designed to collect, contain and remove food wastes and grease from the waste stream while allowing the balance of the liquid waste to discharge to the System by gravity.
17. "Grease Permit" or "Food Service Facility Grease Control Program Permit (FSFGCPP)" shall mean the license/authorization to discharge wastewater/liquid waste into the System granted to the Owner of a Food Service Facility or his/her authorized agent.
18. "Grease Trap" shall mean an outdoor device located underground and outside of a food service facility designed to collect, contain and remove food wastes and grease from the waste stream while allowing the balance of the liquid waste to discharge to the System by gravity.
19. "Health Department" shall mean the State Board of Health as constituted in accordance with Ala. Code § 22-2-1 *et seq.*, and includes the Committee of Public Health or State Health Officer when acting as the Board. The Health Department is not affiliated with the Jefferson County Commission.
20. "Impact Fee" shall mean the charge assessed to any sewer user prior to connection with, or access to, the System.
21. "Industrial User" shall mean any industry discharging liquid waste into the System.

either with or without pretreatment.

22. "Industrial Wastewater" shall mean any wastewater discharge with pollutant loadings in excess of the values described in Article IV.D.1.
23. "Industrial Wastewater Surcharge" shall mean the additional service charge assessed to Users whose wastewater characteristics exceed those of normal wastewater as defined in this ordinance.
24. "l" denotes liter.
25. "Lounge" shall mean any establishment which serves alcoholic beverages for on-premises consumption.
26. "Metered Water" shall mean the quantity of all sources of water, including water from wells, consumed by the sewer User (see Article II).
27. "mg/l" denotes milligrams per liter and shall mean ratio by weight.
28. "Non-Residential User" or "Other User" shall mean a premise or person who is not considered a Residential User and includes multi-family residential (with master meter(s), i.e. apartment complex, mobile home complex, etc.), commercial and industrial premises that discharge wastewater of Standard Strength into the System.
29. "Non-Resident User" shall mean a User whose property is located outside the corporate limits of Jefferson County.
30. "Person" or "Owner" shall mean any natural person, individual, firm, company, joint stock company, association, society, corporation, group, partnership, co-partnership, trust, estate, governmental or legal entity, or their assigned representatives, agents or assigns.
31. "Private Meter" shall mean a secondary water meter installed by the user downstream of the primary domestic water meter to measure non-sewered (outdoor or other) water use.
32. "Public Water System" shall mean a system for the provision to the public of piped water for human consumption.
33. "Residential User" or "Domestic User" shall mean a premise or person who discharges into the System wastewater that is of a volume and strength typical for residences, and who lives in a single-family structure, such as an individual house, duplex, townhouse, or condominium, or any other independently-owned single-family structure with an individual water meter for metering potable water. Multi-family residential units are not considered Residential Users.
34. "Restaurant" shall mean an establishment which serves food and/or beverages for

consumption on the premises by use of reusable flatware/tableware, or glassware.

35. "Sanitary Sewer" shall mean a sewer which carries wastewater, and from which storm, surface, and ground waters are intended to be excluded.
36. "Sewer" or "main sewer" shall mean a pipe or conduit eight (8) inches in diameter or larger intended for carrying wastewater and generally located in public right-of-way or easement.
37. "Sewer Connection Permit" shall mean the license to proceed with work on a sewer service line, either as new construction or for the repair of an existing line.
38. "Sewer Service Line" shall mean any sanitary sewer line or conduit located outside the building structure which connects the building's plumbing from the outside building wall to the main sewer. The sewer service line is usually four (4) inches in diameter, sometimes six (6) inches in diameter, and in special cases eight (8) inches in diameter or larger. The County does not maintain the sewer service line from the outside building wall to the main sewer.
39. "Sewer System" or "System" shall mean a publicly-owned treatment works (POTW) (as defined by Section 212 of the Federal Water Pollution Control Act, also known as the Clean Water Act, as amended, codified at 33 U.S.C. § 1292) owned by the County. The term shall mean any wastewater treatment facility, any sanitary sewer that conveys wastewater to such treatment facility and any wastewater pumping facility.
40. "Shall" is mandatory; "may" is permissive.
41. "Standard Methods" shall mean those sampling and analysis procedures established by and in accordance with the Environmental Protection Agency (EPA) pursuant to Section 304(g) of the Act and contained in 40 CFR, Part 136, as amended, or the "Standard Methods for the Examination of Water and Sewer" as prepared, approved, and published jointly by the American Public Health Association (APHA), the American Water Works Association (AWWA), and the Water Environment Federation (WEF). In cases where procedures vary, the EPA's methodologies shall supersede.
42. "Standard Strength" shall describe wastewaters of any origin having a pollutant content less than the wastewater pollutant characteristics defined in Article IV, Section D.1 of this ordinance and having no prohibited qualities of sanitary sewer system admission.
43. "Suspended Solids" shall mean solids that either float on the surface, or are in suspension in water, wastewater, or liquid as defined by standard methods.
44. "Total Phosphorous" or "TP" shall mean total phosphorous as determined by standard methods.

45. "TSS" shall mean total suspended solids as determined by standard methods.
46. "Total Solids" shall mean total concentration expressed in mg/l of all solids: dissolved, undissolved, organic, or inorganic.
47. "User" shall mean the occupant and/or the owner(s) of property from which wastewater is discharged into the System and any individual or entity, including municipalities, who contributes, causes, or permits the contribution of wastewater into the System.
48. "Wastewater" shall mean any solids, liquids, gas, or radiological substance originating from residences, business buildings, institutions, and industrial establishments together with any ground water, surface water, and storm water that may be present, whether treated or untreated, which is contributed into or permitted to enter the System.

Terms for which definitions are not specifically provided herein or in the "Jefferson County Sewer Use Administrative Ordinance" shall be interpreted as defined in the Glossary of the current edition of "Design of Municipal Wastewater Treatment Plants, Volume 3" (MOP 8) published by the WEF and the American Society of Civil Engineers (ASCE).

ARTICLE II. BILLING UNITS

A. Volume Determination

The Environmental Services Department shall, at its own discretion, determine the factor and percentage of metered or non-metered water discharged to the System for the purposes of billing consistent with the following:

In making a quantity determination for System Users, the quantity of wastewater discharged by the User to the System shall be the same as the quantity of water delivered to the User by the Public Water System. In limited circumstances, should well water be used for the User's supply of water, the well shall be metered and quantities made known to the County on a monthly basis.

1. Residential Users

Billed Volumetric Units for Residential Users, except participants in the private meter program or as otherwise determined, shall be the metered quantity multiplied by a Return Factor as an allowance for metered water not returned to sewer. The Factor shall be as follows:

Residential Return Factor 0.85

Multi-family residences, apartments, condominiums, lofts and other residential users without unique, contiguous, deeded, unimproved land for that residential unit shall not be eligible for the Residential Return Factor.

2. Non-Residential Users

Billed Volumetric Units for Non-Residential Users and participants in the private meter program shall be the metered quantity multiplied by a Return Factor of 1.00, *provided, however*, a custom return factor may be established at the discretion of ESD for future, continuous use where sufficient evidence exists.

It shall be the obligation of Non-Residential Users who evaporate or otherwise dispose of water delivered by the Public Water System to install such meters or other devices deemed necessary by the County to determine the estimated quantity discharged to the System. The County will consider establishing a constant ratio, factor, or percentage to be applied to the metered water quantity delivered by the Public Water System in order to determine the quantity of wastewater discharged by the User. It shall be the responsibility of the User to provide adequate written documentation which justifies the factor to the satisfaction of the County. The value of this factor will be reviewed for accuracy by ESD biannually, or whenever deemed necessary by the County in its sole discretion.

B. Impact Fee Units

1. Fixtures

Impact fee units shall be billed per defined unit times the rate provided in this ordinance as follows:

| <u>Fixture Type</u> | <u>No. Units</u> |
|--|------------------|
| Bathtub | 1 |
| Shower | 1 |
| Water Closet/toilet | 1 |
| Lavatory | 1 |
| Sink | 1 |
| Urinal | 1 |
| Bidet | 1 |
| Sink | 1 |
| Dishwasher | 1 |
| Washing Machine | 1 |
| Garbage disposal units or pre-wiring for same | 1 |
| Stub outs for plumbing fixtures | 1 |
| Floor drain | 0.25 |
| Trench drain (per 18" of length) | 0.25 |
| Bradley wash sink (per 18" of sink perimeter) | 1 |
| Body wash/massage | 1 |
| Drinking fountain | 0.25 |
| Condensate drain | 0.25 |
| Sump pump or ejector | 1 |
| Dumpster Drain | 1 |
| Commercial kitchen sink | 1 |
| Commercial dishwasher | 1 |
| Commercial ice machine | 1 |
| Photographic developing machine | 1 |
| Autoclave | 1 |
| Restaurant/Bar Seat (booths are calculated per 18" length) | 1 |
| Other (any other connection to the System as determined by the County as a full or partial unit) | |

2. Food Service Establishments

The impact fee for full service restaurants and lounges shall be assessed at a rate of one (1) plumbing fixture per seat. The impact fee for all other food-serving establishments shall be determined on the basis of projected volume of flow to the sewer as provided for in Article II.B.4.

3. Alternate Waste Disposal (Septic) System Conversion

A fixture credit shall be applied for each existing fixture up to a maximum of sixteen (16) fixtures (or equivalent fixtures) in the event of a conversion from an existing septic or alternate waste disposal system. If the conversion is performed without a permit then the fixture credits shall not apply.

4. Non-Residential

The impact fee for any connection to the System which will result in a non-domestic discharge of wastewater by virtue of the volume, rate of flow, or the level of pollutant concentrations will be determined by the County on a case-by-case basis. The County will base its determination upon all factors which may substantially affect System hydraulic and treatment capacity.

The determination shall be based on the annual volume contributed by a domestic household, which is defined as having twelve (12) plumbing fixtures, and the flow from which is equivalent to 125 hundred cubic feet per year. Therefore, an equivalent fixture, in terms of flow, shall be equal to 10.42 hundred cubic feet per year.

The impact connection fee for non-domestic users shall be as follows:

- 1) The impact fee shall be determined based on the applicant's estimates of flow at the time of application to secure an impact permit.
- 2) The County shall apply the applicant's estimates to the following formula to determine the number of equivalent plumbing fixtures and the impact fee to be charged as a result thereof.

$$\text{Number of Equivalent Plumbing Fixtures} = \frac{\text{annual volume of water to sewer (cu. ft.)}}{1,042}$$

$$\text{Non-Residential Impact Fee} = \text{Number of Equivalent Plumbing Fixtures} \times \text{the rate established by Article IV.E.1}$$

- 3) A determination of actual wastewater volume discharged to the System shall be made using actual metered water consumption during the first year of the applicant's use. If it is determined by actual measurement that the volume discharged to the System is, in the opinion of the County, substantially different from the estimates given by the applicant, an adjustment will be made either by refund or additional charge to the applicant. The adjustment shall be made on the highest six (6) month volume discharged to the System. Metering shall be installed at the User's expense if required by the County for determination of actual wastewater volume discharged.

ARTICLE III. ADJUSTMENTS AND CREDITS

A. Sewer User Adjustments

Users are eligible to receive a leak adjustment credit based on their volumetric (consumption) sewer charge within the prior twelve (12) month period. Any leak of domestic water that does not discharge to a sanitary drainage system at the premise may be eligible for credit. However, such leak shall be documented to have arisen from a defect in the permanent plumbing system and subsequently have been repaired. A "Jefferson County ESD Request for Leak Adjustment Form" must be completed in its entirety and returned to the Sewer Permitting and Inspections Office, located at 716 Richard Arrington Jr. Blvd. North, Suite A300, Birmingham, AL 35203, along with a dated and descriptive plumbing repair invoice, a work order from a Public Water System, or a receipt in cases where the Owner completes his own repairs.

The County does not provide "courtesy" adjustments. No adjustment will be given based solely on the fact that a User has an unusually high water and sewer bill, and water adjustments or credits given by a Public Water System shall not form the sole basis nor create an obligation to the County to grant a similar adjustment for sewer charges. Sewer charges may be adjusted only if the User supplies sufficient written documentation.

Swimming pools which have been verified on site, measured for volume, and are deemed to be a permanent structure by a Sewer Service Inspector, are eligible for a once-per-year adjustment. The User must be able to demonstrate that the water drained from the pool was not discharged to the System. The adjustment shall be allowed only in cases where there is a substantial pool filling. Adjustments shall not be made prior to the User being billed for the water volume.

B. Adjustment Limitations

Any request for an adjustment of sewer charges shall be limited to one (1) year from the billing date of the original charge, and shall be submitted to the Sewer Permitting and Inspection Office (716 Richard Arrington Jr. Blvd. North, Suite A300, Birmingham, AL 35203).

C. Impact Fee Credit for Existing Fixtures

If an existing structure is to be demolished, altered, remodeled or expanded, an applicant will be allowed credit for the plumbing fixtures in the existing structure. Credit will be given only for those plumbing fixtures in the existing structure which are connected to the System and shall only be applied to a new or remodeled structure at the same location. To receive credit for existing fixtures, applicants must arrange an inspection by County personnel to verify the fixture count before removing the old fixtures. Credit will not be given unless the fixtures have been inspected by ESD prior to removal or evidence of a prior paid impact permit is presented. Except as provided herein, credit for existing connections and fixtures cannot be transferred to another location.

In circumstances such as natural disasters or other uncontrollable circumstances where credit for existing fixtures cannot be accurately determined, the County shall determine the credits available based on available information consistent with this Ordinance. The burden of proof for establishing any claimed credit as provided herein shall be on the applicant.

D. Impact Fee Exemptions

The governing bodies of all municipalities under the terms of their respective unification agreements shall be exempt from payment of all impact fees for facilities which will be used directly by those governing bodies for carrying out their governmental functions. The impact fee exemption does not apply to park boards, recreation boards, school systems, or any other boards or alliances which are autonomous, or are not a direct function of, or owned by, the municipal governing body. However, this fee exemption does not remove the requirement that any applicable permits must be obtained prior to securing a building permit.

E. Refund of Impact Fees

Upon proper application by the permittee, the County will refund Impact Fees for fixtures which have not been installed. If no building permit was issued, the permittee must return all copies of the original impact permit in order to receive a refund. If a building permit was issued, the permittee must return the applicant's copy of the impact permit along with the original issued receipt to the Sewer Permitting and Inspection Office within two (2) years of issuance. The administrative fee shall be deducted from the total amount of the refund.

F. Private Meters

A User of the System may elect to install a private meter on a water service line that is connected to fixtures, equipment, or systems that do not discharge wastewater to the System. Users with installed private meters shall not be eligible for the Residential Return Factor adjustment. Private meter requirements and credit procedures are as follows:

- 1) A private meter must be permanently installed on the water service line or water distribution system downstream of the primary domestic water service meter. Water metered by the private meter must not directly or indirectly enter the System. Portable meters that attach onto the end of a hose or faucet are not eligible.
- 2) The private meter shall be registered by an ESD Sewer Service Inspector. The initial meter reading shall start from the reading that is registered at the time of inspection. It is the responsibility of the User to inform the County of the presence of a private meter by calling 205-325-5801 to request a registration/inspection of the private meter. Retroactive usage credit prior to registration shall not be allowed.

- 3) The private meter owner or an authorized party must be present at the time the private meter is registered by the County and must acknowledge its limitations of use.
- 4) All private meter readings must be submitted to the Environmental Services Sewer Permitting and Inspection Office at 716 Richard Arrington Jr. Blvd. North, Suite A300, Birmingham, AL 35203.
- 5) Meter readings should be submitted every 6 months, but not more frequently than every 6 months. Credit shall not be granted for any use prior to the twelve-month period from the date of submission for credit.
- 6) Private meter forms must be filled out in their entirety in order to be processed.
- 7) A private meter processing fee as provided for in Article IV.B shall be charged for each private water meter credit administered.

Any active participant of the private meter program who wishes to terminate their current enrollment status must request such action in writing to ESD and shall not be allowed re-enrollment for a twelve month period from the date of request.

The County reserves the right to require, at any time, the private meter to be inspected or re-registered by a Sewer Service Inspector.

It shall be the responsibility of the User to determine whether a private meter is enrolled in the credit program.

ARTICLE IV. FEES, CHARGES, AND PENALTIES

A. Sewer Use Charges

All Users of the System, or their designated agents, shall pay a sewer use charge to the County. Sewer use charges shall include (1) fixed monthly charges and (2) volumetric charges in accordance with the following schedules. Sewer use charges for unmetered water will be determined by the County in its sole discretion.

1. Residential

A block volume charge shall be levied on Billed Volumetric Units in accordance with the below schedule. Whole units shall be used to determine under which Block the charge arises.

| | <u>Per 100 Cubic Feet</u> | | |
|---------------|---------------------------|---------|---------|
| | Block 1 | Block 2 | Block 3 |
| Volume | 0-3 | 4-6 | 7+ |
| Rate per unit | \$4.50 | \$7.00 | \$8.00 |

| | <u>Per 1000 Gallons</u> | | |
|---------------|-------------------------|-------------|---------|
| | Block 1 | Block 2 | Block 3 |
| Volume | 0-2.246 | 2.247-4.491 | 4.492+ |
| Rate per unit | \$6.02 | \$9.36 | \$10.69 |

2. Non-residential

A block volume charge shall be levied on Billed Volumetric Units in accordance with the below schedule.

| | <u>Per 100 Cubic Feet</u> |
|---------------|---------------------------|
| Volume | 0+ |
| Rate per unit | \$7.87 |

| | <u>Per 1000 Gallons</u> |
|---------------|-------------------------|
| Volume | 0+ |
| Rate per unit | \$10.51 |

3. Monthly Base Charge

In addition to the volumetric charges in A.1 and A.2, a monthly base charge for each installed meter (except Private Meters) shall be levied as follows:

| <u>Meter Size</u> <u>(in. dia.)</u> | <u>Charge</u> |
|--|---------------|
| 5/8" | \$15.00 |
| 3/4" | 16.50 |
| 1" | 21.00 |
| 1.5" | 27.00 |
| 2" | 43.50 |
| 3" | 165.00 |
| 4" | 210.00 |
| 6" | 315.00 |
| 8" | 435.00 |
| 10" | 555.00 |

4. Billing Frequency

Bills are rendered monthly or quarterly at the discretion of the County.

B. Private Meter/Pool Processing Fee

A processing fee in the amount of \$12:00 shall be imposed for the processing of each application for private meter or pool credit.

C. Non-Resident Users

All Non-Resident Users shall pay a sewer use charge to the County equal to the use charges described in Sections A.1 through A.2 of this Article multiplied by the following Non-Resident User Factor.

$$\text{Non-Resident User Factor} = 1.06$$

The monthly base charges set forth in Section A.3 of this Article shall also be multiplied by the Non-Resident User Factor. All other fees or charges described within this Ordinance shall be assessed to Non-Resident Users in accordance with the schedules set forth herein or as may be established by Jefferson County.

At the discretion of the County and at such times when the County ad-valorem tax or any other System-related tax is modified or adopted, the Non-Resident User Factor may be changed or modified by the County.

D. Industrial Waste Surcharges

1. Industrial User Surcharges

An industrial waste surcharge shall be levied against any Industrial User of the System whose wastewater characteristics exceed the following standard strength:

| <u>Constituent</u> | <u>Strength</u> | <u>Rate per pound</u> |
|--------------------|-----------------|-----------------------|
| BOD | 300 mg/l | \$0.8284 |
| COD | 750 mg/l | \$0.4142 |
| TSS | 300 mg/l | \$0.2734 |
| FOG | 50 mg/l | \$0.1715 |
| TP | 4 mg/l | \$3.2650 |

If an industrial wastewater discharge contains excessive loading for both BOD and COD, the imposed surcharge will be based on one of the two parameters as determined by the County in its sole discretion.

At the discretion of the County and at such times when data has been compiled and established, additional or modified industrial waste surcharge parameters, concentrations, or rates may be imposed.

Pounds shall be computed by multiplying the factor 0.00624 (the conversion factor used to determine the weight in pounds of one milligram per liter (mg/l) for a liquid volume in hundreds of cubic feet) times the volume of the wastewater (in hundreds of cubic feet) times the parts per million (ppm) of wastewater characteristics as described in the Table above.

2. Sampling and Analysis

Sampling and analysis charges shall be calculated and assessed as follows:

- (1) Round trip mileage shall be charged per mile at the currently published Internal Revenue Service Standard Mileage Rate.
- (2) Crew cost: \$35.00 per hour (charged in ¼ hour segments at sampling site, each segment = \$8.75).
- (3) Laboratory analytical cost: Billed by wastewater characteristic, as defined in the laboratory fee schedule, which may be obtained from the Industrial Pretreatment Office at 205-238-3833.
- (4) Technical and administrative fees including data collection, calculations, entry, report dispersal and billing per sampling cycle: Flat rate of \$50.00.

3. Miscellaneous Fees

Costs incurred by the County for sampling, analysis and monitoring of industrial wastewater not otherwise provided for in this Ordinance shall be charged to the monitored industry on an actual cost basis.

4. Hauled Wastewater

Charges for discharging all hauled wastewater into an approved System facility, as measured at the receiving facility, shall be as follows:

| <u>Waste type</u> | <u>Rate per 1000 gallons</u> |
|---------------------------------|------------------------------|
| Septage and domestic wastewater | \$60.00 |
| Grease trap waste | \$75.00 |
| Other | * |

*Charges for other non-standard discharges shall be calculated by the County based on estimated increased operating costs if the County determines, in its sole discretion, that the particular waste stream constituents are higher concentrations than typical domestic septage or grease trap waste. Leachate, unless otherwise determined, shall be considered septage.

E. Sewer Impact Fees

1. Fixture Rate

An impact fee shall be levied upon each new connection to the System regardless of county jurisdiction as follows:

| <u>Fixture</u> | <u>Impact Fee</u> |
|--------------------------------|-------------------|
| Single fixture unit | \$225.00 |
| Equivalent fixture unit | \$225.00 |
| Stubouts for plumbing fixtures | * |
| Other fixtures | ** |

* Impact fee for stubouts will be the cumulative fee for the fixtures to be served by the stubout.

** Impact fee to be determined by the County on a case by case basis in accordance with Article II.B.4 and at a rate of \$225.00 per plumbing fixture.

Failure to make payment for any plumbing fixture prior to installation shall result in a doubling of the payment if said payment is not submitted within thirty (30) days of notification. However, failure to mail any notice, or failure to receive any notice, shall in no way affect the obligation of the applicant to pay the fees and any penalty.

2. Alternate Waste Disposal System Conversion

Any home, mobile home or commercial building served by a septic tank, package plant, or other means of waste disposal which was constructed and approved for use subject to the standards of the Jefferson County Department of Health may connect to the System, provided there is no prohibition in the regulations of the County, State or Federal Government and upon payment of a one hundred dollar (\$100.00) fee for such connection and additional fixture charges in excess of the credits provided in Article II.B.3.

3. Impact Fees Refund

An administrative fee for refund of impact fees will be assessed as follows:

| <u>No. Fixtures</u> | <u>Fee</u> |
|---------------------|------------|
| 1 - 10 | \$20.00 |
| 11 - 50 | \$30.00 |
| 51 | \$50.00 |

F. Sewer Connection Fees

The sewer connection fees as listed include all required inspections and will be assessed for each single user connection in accordance with the following schedule:

| <u>Permit type</u> | <u>Prior to installation</u> | <u>After installation</u> |
|--------------------|------------------------------|---------------------------|
| Connection | \$50.00 | \$550.00 |
| Repair | \$50.00 | \$550.00 |
| Tap ¹ | \$150.00 | |
| Disconnection | \$25.00 | |

¹County provides saddle, labor, and materials for tap to existing sewer mains.

If the County Sewer Service Inspector is required to visit the connection site for more than two (2) inspections due to faulty material, poor workmanship etc., the third inspection and each inspection thereafter shall be charged at \$100 per inspection. After hour, weekend, and holiday inspections must be pre-approved by the ESD and shall be charged at a rate of \$100.00 per hour, with a 2 hour minimum. The rate is "per inspector" as deemed necessary by the County.

G. Grease Trap Fees

Grease trap and interceptor fees shall be assessed in accordance with the following schedule:

| <u>Number</u> | <u>Annual Inspection Fee</u> |
|---------------|------------------------------|
| 1-5 | \$300.00 |
| 6-10 | \$500.00 |
| 11+ | * |

*Units in excess of 10 shall be assessed \$500.00 plus \$200.00 for each additional 5 units in excess of 10

| <u>Type</u> | <u>Other Fees</u> |
|----------------|-------------------|
| Non-compliance | \$400.00 |
| Re-inspection | \$400.00 |
| Exemption | \$300.00 |

Installation, modifications, repairs or replacement of grease control devices shall be inspected by the ESD inspectors. Any work completed without prior notice shall be subject to a non-compliance fee.

H. Billing Fees

Billing fees shall be assessed in accordance with the following schedule:

| <u>Type</u> | <u>Fee</u> |
|----------------------------|------------|
| Lien Recording | \$16.00 |
| Lien Satisfaction | \$16.00 |
| Return Check | \$30.00 |
| Pay Off Amount (per sheet) | \$4.00 |

ARTICLE V. GENERAL PROVISIONS

A. Validity

All resolutions, ordinances, parts of resolutions, or parts of ordinances in conflict herewith are hereby repealed.

B. Severability

The provisions of this Ordinance are severable. If any provision, section, paragraph, sentence or part thereof, or the application thereof to any individual or entity, shall be held unconstitutional or invalid, such decision shall not affect or impair the remainder of this Ordinance, it being the Commission's legislative intent to ordain and enact each provision, section, paragraph, sentence and part thereof separately and independently of each other.

C. Penalties

The County shall be allowed to recover reasonable attorney's fees, interest, penalties, collection fees, court costs, court reporter's fees and any other expenses of litigation or collections from any person or entity in violation or non-payment of the provisions of this this Ordinance.

ARTICLE VI. ORDINANCE IN FORCE

A. Date Effective

This ordinance shall be in full force and effect on the date of passage, with such rates and charges being assessed as soon as is practicable.

B. Date Adopted

Passed and adopted by the Jefferson County Commission on the 6th day of November, 2012. Approved this 6th day of November, 2012.

by W.D. Carrington, President – Jefferson County Commission

Attest:

Diane Townes

Minute Clerk of the Jefferson County Commission

Approved as to correctness:

Approved Rate Structure

Rates and charges for sewer service are embodied in the *Jefferson County Sewer Use Charge Ordinance*, adopted November 6, 2012 (as amended from time to time, the "Charge Ordinance"), the current version of which is appended to and incorporated into this Approved Rate Structure. The Charge Ordinance sets out pertinent defined terms and describes in detail the policies and procedures by which bills are calculated. This Approved Rate Structure details how further changes in rates and charges contemplated by the Plan will be implemented.

User Charges

Under the Charge Ordinance, each user pays: (i) a monthly base charge that varies depending on meter size; and (ii) volumetric charges (measured on a per-CCF basis) that vary depending on whether the user is classified as residential or non-residential, and (for residential users) that vary based on the level of the user's consumption. In addition, the Charge Ordinance specifies certain industrial waste surcharges and the fees for discharging hauled wastewater (septage and domestic wastewater, as well as grease trap waste) into the system. Finally, the Charge Ordinance sets out certain miscellaneous fees and charges, including fees for inspections, permits, returned checks, and the like. These fees and charges are collectively referred to as the "User Charges," and they are set out immediately below.

Effective March 1, 2013, the User Charges are as follows:

| Category | Amount |
|---|----------------|
| Monthly Base Charge (5/8" Meter) | \$10.00 |
| Monthly Base Charge (3/4" Meter) | \$11.00 |
| Monthly Base Charge (1" Meter) | \$14.00 |
| Monthly Base Charge (1.5" Meter) | \$18.00 |
| Monthly Base Charge (2" Meter) | \$29.00 |
| Monthly Base Charge (3" Meter) | \$110.00 |
| Monthly Base Charge (4" Meter) | \$140.00 |
| Monthly Base Charge (6" Meter) | \$210.00 |
| Monthly Base Charge (8" Meter) | \$290.00 |
| Monthly Base Charge (10" Meter) | \$370.00 |
| Non-Residential Block Volumetric Charge | \$7.60 per CCF |

| Category | Amount |
|---|---------------------------|
| Residential Block Volumetric Charge (first three CCF) | \$4.50 per CCF |
| Residential Block Volumetric Charge (next three CCF) | \$7.00 per CCF |
| Residential Block Volumetric Charge (additional CCF) | \$8.00 per CCF |
| Surcharge for BOD (300 mg/l strength) | \$0.8284 per pound |
| Surcharge for COD (750 mg/l strength) | \$0.4142 per pound |
| Surcharge for TSS (300 mg/l strength) | \$0.2734 per pound |
| Surcharge for FOG (50 mg/l strength) | \$0.1715 per pound |
| Surcharge for TP (4 mg/l strength) | \$3.2650 per pound |
| Septage and Domestic Wastewater | \$60.00 per 1,000 gallons |
| Grease Trap Waste | \$75.00 per 1,000 gallons |
| Private Meter Application Processing Fee | \$12.00 per application |
| Sewer Impact Fees for New Connections to the System | \$225.00 per fixture |
| Connection Fee for Properties Currently on Septic | \$100.00 |
| Impact Fee Refund Charge (1 – 10 Fixtures) | \$20.00 |
| Impact Fee Refund Charge (11 – 50 Fixtures) | \$30.00 |
| Impact Fee Refund Charge (More than 50 Fixtures) | \$50.00 |
| Connection Permit (Pre-Installation) | \$50.00 |
| Connection Permit (Post-Installation) | \$550.00 |
| Repair Permit (Pre-Installation) | \$50.00 |
| Repair Permit (Post-Installation) | \$550.00 |
| Tap Permit | \$150.00 |
| Disconnection Permit | \$25.00 |

| Category | Amount |
|--|---------------------------------|
| Grease Trap Annual Inspection Fee (1 – 5 Units) | \$300.00 |
| Grease Trap Annual Inspection Fee (6 – 10 Units) | \$500.00 |
| Grease Trap Annual Inspection Fee (Additional Units) | \$200.00 per 5 additional units |
| Grease Trap Non-Compliance Fee | \$400.00 |
| Grease Trap Re-Inspection Fee | \$400.00 |
| Grease Trap Exemption Fee | \$300.00 |
| Lien Recording Fee | \$16.00 |
| Lien Satisfaction Fee | \$16.00 |
| Return Check Fee | \$30.00 |
| Pay Off Amount | \$4.00 per sheet |

The County Commission may add, delete, or modify these categories of User Charges by adopting an Adjusting Resolution (defined below), provided that any modification of the categories of User Charges shall be either revenue-neutral or revenue-enhancing as shown by a Revenue Certification (defined below).

Method of Imposing Rate Modifications for User Charges

Pursuant to the Plan and in connection with the issuance of the New Sewer Warrants under the New Sewer Warrant Indenture, a resolution duly adopted by the County Commission during October 2013 (the “October 2013 Resolution”) in compliance with Amendment 73 and Act 619 shall, upon approval, enact the revised User Charges set out in the next section (entitled “November 1, 2013 Increase”), effective November 1, 2013.

Pursuant to the October 2013 Resolution, the County shall each year thereafter increase the overall User Charges by certain required percentages (the “Required Percentage Increases,” as more specifically defined below). Pursuant to the October 2013 Resolution, the County shall, unless it otherwise so elects as herein permitted, make the Required Percentage Increases by uniformly increasing the fees and charges in each of the categories of User Charges by the requisite percentage (rounded to the nearest cent except for those fees and charges expressed above in hundredths of a cent increments, which shall be rounded to the nearest hundredth of a cent). This method of making the Required Percentage Increases is the “Uniform Method.”

Alternatively, the County may, but is not required to, elect to make the Required Percentage Increases non-uniformly (the “Non-Uniform Method”) by increasing, decreasing, or leaving unchanged certain of the fees and charges in each of the categories of User Charges in such manner as the County shall determine in its reasonable discretion. If the County uses the Non-Uniform Method to make a

Required Percentage Increase, the County shall certify to the indenture trustee for the New Sewer Warrants, in accordance with the terms of the New Sewer Warrant Indenture, that the revenues projected to be generated in the fiscal year for which the Required Percentage Increase is applicable will be greater than or equal to the revenues that would be projected to be generated in that same fiscal year if the Uniform Method had instead been used to make the Required Percentage Rate Increase (a "Revenue Certification"). The New Sewer Warrant Indenture may further condition the use of a Non-Uniform Method and the terms of the Revenue Certification.

November 1, 2013 Increase

The October 2013 Resolution shall, upon approval, enact the following User Charges, effective November 1, 2013. (Categories with changed amounts from the User Charges in effect as of March 1, 2013 are italicized; the remaining categories are unchanged.)

| Category | Amount |
|---|-----------------------|
| <i>Monthly Base Charge (5/8" Meter)</i> | <i>\$15.00</i> |
| <i>Monthly Base Charge (3/4" Meter)</i> | <i>\$16.50</i> |
| <i>Monthly Base Charge (1" Meter)</i> | <i>\$21.00</i> |
| <i>Monthly Base Charge (1.5" Meter)</i> | <i>\$27.00</i> |
| <i>Monthly Base Charge (2" Meter)</i> | <i>\$43.50</i> |
| <i>Monthly Base Charge (3" Meter)</i> | <i>\$165.00</i> |
| <i>Monthly Base Charge (4" Meter)</i> | <i>\$210.00</i> |
| <i>Monthly Base Charge (6" Meter)</i> | <i>\$315.00</i> |
| <i>Monthly Base Charge (8" Meter)</i> | <i>\$435.00</i> |
| <i>Monthly Base Charge (10" Meter)</i> | <i>\$555.00</i> |
| <i>Non-Residential Block Volumetric Charge</i> | <i>\$7.87 per CCF</i> |
| Residential Block Volumetric Charge (first three CCF) | \$4.50 per CCF |
| Residential Block Volumetric Charge (next three CCF) | \$7.00 per CCF |
| Residential Block Volumetric Charge (additional CCF) | \$8.00 per CCF |
| Surcharge for BOD (300 mg/l strength) | \$0.8284 per pound |
| Surcharge for COD (750 mg/l strength) | \$0.4142 per pound |

| Category | Amount |
|--|---------------------------------|
| Surcharge for TSS (300 mg/l strength) | \$0.2734 per pound |
| Surcharge for FOG (50 mg/l strength) | \$0.1715 per pound |
| Surcharge for TP (4 mg/l strength) | \$3.2650 per pound |
| Septage and Domestic Wastewater | \$60.00 per 1,000 gallons |
| Grease Trap Waste | \$75.00 per 1,000 gallons |
| Private Meter Application Processing Fee | \$12.00 per application |
| Sewer Impact Fees for New Connections to the System | \$225.00 per fixture |
| Connection Fee for Properties Currently on Septic | \$100.00 |
| Impact Fee Refund Charge (1 – 10 Fixtures) | \$20.00 |
| Impact Fee Refund Charge (11 – 50 Fixtures) | \$30.00 |
| Impact Fee Refund Charge (More than 50 Fixtures) | \$50.00 |
| Connection Permit (Pre-Installation) | \$50.00 |
| Connection Permit (Post-Installation) | \$550.00 |
| Repair Permit (Pre-Installation) | \$50.00 |
| Repair Permit (Post-Installation) | \$550.00 |
| Tap Permit | \$150.00 |
| Disconnection Permit | \$25.00 |
| Grease Trap Annual Inspection Fee (1 – 5 Units) | \$300.00 |
| Grease Trap Annual Inspection Fee (6 – 10 Units) | \$500.00 |
| Grease Trap Annual Inspection Fee (Additional Units) | \$200.00 per 5 additional units |
| Grease Trap Non-Compliance Fee | \$400.00 |
| Grease Trap Re-Inspection Fee | \$400.00 |

| Category | Amount |
|---------------------------|------------------|
| Grease Trap Exemption Fee | \$300.00 |
| Lien Recording Fee | \$16.00 |
| Lien Satisfaction Fee | \$16.00 |
| Return Check Fee | \$30.00 |
| Pay Off Amount | \$4.00 per sheet |

Required Percentage Increases

In addition to enacting the User Charges effective November 1, 2013, the October 2013 Resolution shall, upon approval, specify the precise First Required Percentage Increase (as defined below), Second Required Percentage Increase (as defined below), Third Required Percentage Increase (as defined below), Fourth Required Percentage Increase (as defined below), and the Residual Annual Required Percentage (as defined below) (together, the "Required Percentage Increases").

First Required Percentage Increase

Subject to the entirety of this Approved Rate Structure, and only if the Effective Date has occurred by January 1, 2014, the User Charges in effect as of November 1, 2013, shall, pursuant to the October 2013 Resolution, be increased by the "First Required Percentage Increase." The First Required Percentage Increase shall be given effect no later than November 1, 2014, and shall be enacted via the October 2013 Resolution. The User Charges thereby established will remain in effect unless and until modified in accordance with the October 2013 Resolution, but in no event may such User Charges be lowered prior to October 1, 2015.

The First Required Percentage Increase shall equal 7.89%, unless adjusted upward or downward by an Adjusting Resolution (as defined below) on the terms and conditions set out in the New Sewer Warrant Indenture, including the rate and revenue covenants therein. The First Required Percentage Increase shall be made using the Uniform Method unless the County otherwise elects.

Second Required Percentage Increase

Subject to the entirety of this Approved Rate Structure, and only if the Effective Date has occurred by January 1, 2014, the User Charges in effect as of September 30, 2015 shall, pursuant to the October 2013 Resolution, be increased by the "Second Required Percentage Increase." The Second Required Percentage Increase shall be provided in the October 2013 Resolution, subject to the occurrence of the Effective Date, and given effect no later than October 1, 2015. The User Charges thereby established will remain in effect through and including September 30, 2016.

The Second Required Percentage Increase shall equal 7.89%, unless adjusted upward or downward by an Adjusting Resolution (as defined below) on the terms and conditions set out in the New Sewer Warrant Indenture, including the rate and revenue covenants therein. The Second Required Percentage Increase shall be made using the Uniform Method unless the County otherwise elects.

Third Required Percentage Increase

Subject to the entirety of this Approved Rate Structure, and only if the Effective Date has occurred by January 1, 2014, the User Charges in effect as of September 30, 2016, shall, pursuant to the October 2013 Resolution, be increased by the "Third Required Percentage Increase." The Third Required Percentage Increase shall be provided in the October 2013 Resolution, subject to the occurrence of the Effective Date, and given effect no later than October 1, 2016. The User Charges thereby established will remain in effect through and including September 30, 2017.

The Third Required Percentage Increase shall equal 7.89%, unless adjusted upward or downward by an Adjusting Resolution on the terms and conditions set out in the New Sewer Warrant Indenture, including the rate and revenue covenants therein. The Third Required Percentage Increase shall be made using the Uniform Method unless the County otherwise elects.

Fourth Required Percentage Increase

Subject to the entirety of this Approved Rate Structure, and only if the Effective Date has occurred by January 1, 2014, the User Charges in effect as of September 30, 2017, shall, pursuant to the October 2013 Resolution, be increased by the "Fourth Required Percentage Increase." The Fourth Required Percentage Increase shall be provided in the October 2013 Resolution, subject to the occurrence of the Effective Date, and given effect no later than October 1, 2017. The User Charges thereby established will remain in effect through and including September 30, 2018.

The Fourth Required Percentage Increase shall equal 7.89%, unless adjusted upward or downward by an Adjusting Resolution on the terms and conditions set out in the New Sewer Warrant Indenture, including the rate and revenue covenants therein. The Fourth Required Percentage Increase shall be made using the Uniform Method unless the County otherwise elects.

Residual Annual Required Percentage Increases

Subject to the entirety of this Approved Rate Structure, and only if the Effective Date has occurred by January 1, 2014, for each fiscal year starting with the fiscal year beginning October 1, 2018 and continuing through the remaining term of the New Sewer Warrants, the User Charges in effect as of September 30 of the immediately preceding fiscal year shall, pursuant to the October 2013 Resolution, be increased by the "Residual Annual Required Percentage Increase." The Residual Annual Required Percentage Increase shall be provided in the October 2013 Resolution (subject to the occurrence of the Effective Date), and given effect no later than October 1 of each fiscal year starting with the fiscal year beginning October 1, 2018. The User Charges thereby established will remain in effect through and including the following September 30.

The Residual Annual Required Percentage Increase shall equal 3.49% for each remaining fiscal year that the New Sewer Warrants remain outstanding, unless adjusted upward or downward by an Adjusting Resolution on the terms and conditions set out in the New Sewer Indenture, including the rate and revenue covenants therein. The Residual Annual Required Percentage Increase shall be made using the Uniform Method unless the County otherwise elects.

Adjusting Resolutions

Beginning with the First Required Percentage Increase, the costs of operating the Sewer System and servicing the New Sewer Warrants may permit or require User Charges to decrease or increase other than as specified in the October 2013 Resolution. Moreover, the County Commission may elect to

implement some or all of the Required Percentage Increases using the Non-Uniform Method, which will require precise calculations that must be made closer in time to the scheduled adjustments of User Charges.

Accordingly, to preserve the County Commission's flexibility and to ensure that User Charges are neither too high nor too low, the County Commission may from time to time enact a resolution (an "Adjusting Resolution") that may do any or all of the following: (i) modify the Required Percentage Increase for the next fiscal year only; (ii) provide for the implementation of the Required Percentage Increase via the Non-Uniform Method for the next fiscal year only; and (iii) modify the existing categories of User Charges.

An Adjusting Resolution must: (i) be duly enacted in the fiscal year immediately preceding the first fiscal year for which the Adjusting Resolution will take effect; (ii) be enacted at least 30 days prior to the start of the fiscal year for which the Adjusting Resolution will take effect; and (iii) fully comply with the New Sewer Warrant Indenture, including the rate and revenue covenants therein.

Any Adjusting Resolution that provides for the implementation of a Required Percentage Increase by the Non-Uniform Method must: (i) set out which User Charges will be increased, which (if any) will be decreased, and which will be left unchanged; and (ii) be accompanied by a Revenue Certification.

Any Adjusting Resolution that adds, deletes, or modifies any categories of User Charges shall be accompanied by a Revenue Certification.

Notwithstanding anything to the contrary in this Approved Rate Structure, the County Commission may increase User Charges at any time.

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX G

INFORMATION RESPECTING JEFFERSON COUNTY, ALABAMA

General

The County is a political subdivision of the State of Alabama ("Alabama" or the "State") that was created by the legislative branch of the state government of Alabama (the "Alabama Legislature") on December 13, 1819. The County is located in the north-central portion of the State, on the southern extension of the Appalachian Mountains, in the center of the iron, coal, and limestone belt of the South. The County is approximately 1,047 square miles in size.

The County is Alabama's most populous county and is the principal center of finance, trade, manufacturing, transportation, health care and education in the State. Birmingham, the State's largest city and the county seat, and 43 other incorporated and unincorporated cities and towns are located within the County. Since 2003, the Birmingham Metropolitan Statistical Area (officially designated the "Birmingham-Hoover MSA" by the federal Office of Management and Budget)¹ has included Bibb, Blount, Chilton, Jefferson, Shelby, St. Clair and Walker Counties and covers approximately 5,332 square miles.²

The area's economy was originally based on steel production, but has diversified over the past several decades as healthcare, banking and professional services emerged to become leading industries in the metro area. Heavy industry continues to be an important component of the local economy. Automotive manufacturing has become prominent in the greater metro area, as several auto assembly plants and related suppliers have established businesses in North and Central Alabama in the past two decades.

The healthcare sector has become a primary driver of economic activity in the Birmingham-Hoover MSA, and is anchored by the University of Alabama School of Medicine, which is ranked among the top three medical schools in the Southeast in allocations from the National Institutes of Health ("NIH").³

Banking and finance also contribute significantly to the region's economic base. Birmingham is the Southeast's largest banking center outside Charlotte, North Carolina, and is headquarters to two of the nation's top fifty largest banks, Regions Financial Corporation and BBVA Compass (the U.S. subsidiary of Banco Bilbao Vizcaya Argentaria, S.A., Spain's second largest bank).

Mercedes-Benz, Honda and Hyundai have major automobile assembly facilities within an eighty-five mile radius of the County. The region's economy has benefited from its proximity to these major manufacturing facilities, as several automotive suppliers have established businesses in the area.

Demographic Information

The vast majority of the System is located within the corporate limits of the County, while a de minimis part extends into portions of St. Clair County and Shelby County. Of the System's approximately 128,000 total residential accounts, approximately 260 are estimated to be located in Shelby County and approximately 370 are estimated to be located in St. Clair County. Of the System's approximately 14,000 total non-residential accounts, fewer than 20 are estimated to be located in Shelby County and St. Clair County. All other accounts, both residential and non-residential, are located within the County.

¹ The Birmingham Standard Metropolitan Statistical Area (SMSA) was established in 1967, and originally included Jefferson, Shelby and Walker Counties. St. Clair County was added to the SMSA in 1973. Blount County was added in 1983, at which time the official federal government designation became the Birmingham Metropolitan Statistical Area (MSA). Walker County was removed from the Birmingham MSA in 1993. Bibb, Chilton and Walker Counties were added in 2003, at which time the official federal government designation became the Birmingham-Hoover MSA.

² Source: National Telecommunications and Information Administration State Broadband Initiative

³ Source: NIH, NIH Awards by Location

Housing and other demographic information specific to the service area of the System is not readily available. Accordingly, demographic information provided below is limited to Jefferson County unless otherwise indicated. In this regard it should be noted that the System does not extend to all populated areas of the County. As a result, information about Jefferson County will include areas not covered by the System. By way of example, population trends for Jefferson County will include areas that are not serviced by the System.

The City of Birmingham has served as the county seat of the County since 1873, and the County continues to maintain its primary offices and courthouse in Birmingham. Pursuant to acts passed in the early 1900s, the Alabama Legislature assigned certain obligations to the County with regard to the maintenance of an additional courthouse and other County offices in a region of the County commonly known as the "Bessemer Cutoff." That term references the City of Bessemer, the largest city in the Bessemer Cutoff, which, as of 2010, had a population of approximately 28,000 people.

Cities and Towns

The City of Birmingham, with an estimated population of 212,038 in 2012, is the largest city in the County and remains the largest city in the State. Though Birmingham has decreased considerably from its population of 348,500 in 1960, that rate of decline has slowed in recent years. From 2010 to 2012, Birmingham's population is estimated to have decreased by 0.1%. Birmingham's population is approximately 73% black, 22% white, 4% Hispanic or Latino (including whites and non-whites), and 1% Asian.

The City of Hoover, the sixth largest city in the State, is located primarily within the County, with approximately 72.5% of its citizens residing within the County and the remainder living in Shelby County. Hoover had an estimated population of 83,412 in 2012. From 2010 to 2012, Hoover's population is estimated to have increased by 2.8%. Hoover's population is approximately 75% white, 15% black, 6% Hispanic or Latino (including whites and non-whites), and 5% Asian.

Other incorporated cities and towns located within the County (either wholly or in part) include Adamsville, Adger, Argo, Bessemer, Brighton, Brookside, Cardiff, Center Point, Clay, Fairfield, Fultondale, Gardendale, Graysville, Homewood, Hueytown, Irondale, Kimberly, Leeds, Lipscomb, Maytown, Midfield, Morris, Mountain Brook, Mulga, North Johns, Pinson, Pleasant Grove, Sylvan Springs, Tarrant, Trafford, Trussville, Vestavia Hills, Warrior, and West Jefferson. The County is also home to numerous unincorporated communities.

Population

The County is the center of the seven-county Birmingham-Hoover MSA. The Birmingham-Hoover MSA had an estimated population of 1,136,650 as of July 1, 2012, and was the 48th most populous area among the 381 Metropolitan Statistical Areas in the United States, according to figures from the U.S. Census Bureau.

As reflected in the table below, during the period from 2000 to 2012, the population of the County decreased by approximately 0.3%, compared to population increases of approximately 7.9% for the Birmingham-Hoover MSA, 8.3% for the State, and 11.2% for the United States, during the same time frame.

13-YEAR POPULATION TRENDS

| Year | Jefferson County ¹ | Birmingham-Hoover MSA | State of Alabama | United States |
|------|-------------------------------|-----------------------|------------------|---------------|
| 2000 | 662,033 | 1,053,306 | 4,452,173 | 282,162,411 |
| 2001 | 660,197 | 1,059,082 | 4,647,634 | 284,968,955 |
| 2002 | 657,518 | 1,062,966 | 4,480,089 | 287,625,193 |
| 2003 | 657,513 | 1,070,886 | 4,503,491 | 290,107,933 |
| 2004 | 656,023 | 1,078,204 | 4,530,729 | 292,805,298 |
| 2005 | 654,919 | 1,086,318 | 4,569,805 | 295,516,599 |
| 2006 | 655,893 | 1,098,818 | 4,628,981 | 298,379,912 |
| 2007 | 655,163 | 1,107,256 | 4,672,840 | 301,231,207 |
| 2008 | 656,510 | 1,117,101 | 4,718,206 | 304,093,966 |
| 2009 | 658,441 | 1,125,271 | 4,757,938 | 306,771,529 |
| 2010 | 658,386 | 1,129,068 | 4,784,762 | 309,326,225 |
| 2011 | 658,931 | 1,132,264 | 4,803,689 | 311,587,816 |
| 2012 | 660,009 | 1,136,650 | 4,822,023 | 313,914,040 |

¹ The vast majority of the System is located within the corporate limits of the County, while a de minimis part extends into portions of St. Clair County and Shelby County. Housing and other demographic information specific to the service area is not readily available. In addition, the System does not extend to all populated areas of the County. Accordingly, the population trends for Jefferson County include areas that are not serviced by the System.

Source: Bureau of Economic Analysis, U.S. Department of Commerce

The County is projected by the U.S. Census Bureau to experience population growth lower than that of the Birmingham-Hoover MSA, the State, and the United States between 2012 and 2040. The County's population growth from 2012 through 2040 is projected at 0.3%, while the Birmingham-Hoover MSA's, the State's, and the U.S.'s projected population growth are 16.1%, 15.4%, and 21.1%, respectively.

FUTURE POPULATION PROJECTIONS

| Year | Jefferson County ¹ | Birmingham-Hoover MSA | State of Alabama | United States |
|------|-------------------------------|-----------------------|------------------|---------------|
| 2020 | 662,040 | 1,206,843 | 5,101,172 | 333,896,000 |
| 2030 | 663,525 | 1,271,790 | 5,365,245 | 358,471,000 |
| 2040 | 661,881 | 1,319,205 | 5,567,024 | 380,016,000 |

¹ The vast majority of the System is located within the corporate limits of the County, while a relatively insubstantial part extends into portions of St. Clair County and Shelby County. Housing and other demographic information specific to the service area is not readily available. In addition, the System does not extend to all populated areas of the County. Accordingly, population projections for Jefferson County include areas that are not serviced by the System.

Source: U.S. Census Bureau and Center for Business and Economic Research, The University of Alabama.

Housing and Construction

The following tables contain information about housing units and households in the State, the Birmingham-Hoover MSA, and the County:

HOUSING UNITS

| | Housing Units | | | Percent Change | |
|-----------------------|---------------|-----------|-----------|----------------|-----------|
| | 1990 | 2000 | 2010 | 1990-2000 | 2000-2010 |
| State of Alabama | 1,670,257 | 1,963,711 | 2,171,853 | 17.6 | 10.6 |
| Birmingham-Hoover MSA | 348,470 | 395,295 | 500,025 | 13.6 | 26.5 |
| Jefferson County | 273,097 | 288,162 | 300,552 | 5.5 | 4.3 |

Source: U.S. Census Bureau, American Fact Finder.

CHARACTERISTICS OF HOUSING UNITS, 2010

| | Total Housing Units | Occupied | | |
|-----------------------|------------------------|-----------|-----------|---------|
| | | Total | Owner | Renter |
| State of Alabama | 2,171,853 | 1,883,791 | 1,312,589 | 571,202 |
| Birmingham-Hoover MSA | 500,025 | 441,924 | 312,004 | 129,920 |
| Jefferson County | 300,552 | 263,568 | 171,158 | 92,410 |

Source: U.S. Census Bureau, American Fact Finder

CHARACTERISTICS OF HOUSEHOLDS BY TYPE, 2010

| | Total Households | Family Households | Non-Family Households |
|-----------------------|---------------------|----------------------|--------------------------|
| State of Alabama | 1,883,791 | 1,276,440 | 607,351 |
| Birmingham-Hoover MSA | 441,924 | 300,060 | 141,864 |
| Jefferson County | 263,568 | 170,207 | 93,361 |

Source: U.S. Census Bureau, American Fact Finder

**AVERAGE VALUE OF OWNER-OCCUPIED HOUSING UNITS
2010**

| | |
|-----------------------------|------------|
| Alabama..... | \$ 123,900 |
| Birmingham-Hoover MSA | 146,600 |
| Jefferson County | 141,500 |

Source: U.S. Census Bureau, American Fact Finder, American Community Survey, 2010 1-Year Estimates

Construction activity data is not available on a county by county basis in Alabama. The following table presents information about the value of residential and non-residential construction in the Birmingham-Hoover MSA over the past five years, as well as projections of such data for 2013 and 2014:

**CONSTRUCTION VALUE
BIRMINGHAM-HOOVER MSA**

| Year | Residential | Non-Residential | Total |
|-------------------|----------------|-----------------|------------------|
| 2008 | \$ 611,267,000 | \$ 889,578,000 | \$ 1,500,845,000 |
| 2009 | 453,241,000 | 1,064,476,000 | 1,517,717,000 |
| 2010 | 497,674,000 | 508,448,000 | 1,006,122,000 |
| 2011 | 477,699,000 | 631,306,000 | 1,109,005,000 |
| 2012 | 589,640,000 | 356,266,000 | 945,906,000 |
| 2013 ¹ | 685,554,000 | 451,635,000 | 1,137,189,000 |
| 2014 ² | 1,065,749,000 | 565,154,000 | 1,630,903,000 |

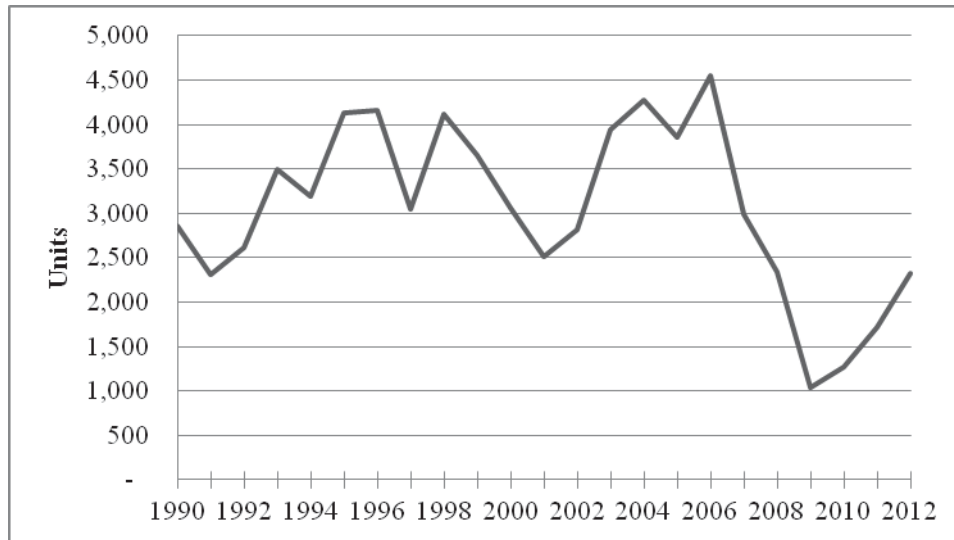
¹ 2013 Projection (based on data available as of March 31, 2013)

² 2014 Projection

Source: McGraw-Hill Construction, Research and Analytics.

Residential building permits issued in the County have averaged just over 3,000 per year since 1990. The following graph depicts the number of units permitted each year since 1990:

**RESIDENTIAL BUILDING PERMITS
JEFFERSON COUNTY**



Source: U.S. Census Bureau, Building Permit Estimates.

Technology

Numerous hospitals and specialized health care facilities are located in the County. The University of Alabama at Birmingham, the area’s largest employer, is home to a world-class patient care and research medical center. The Kirklin Clinic, opened in June 1992 by the University of Alabama Health Services Foundation, houses over 600 physicians in 35 specialties and services patients from throughout the State and the Southeast. Children’s Hospital of Alabama has been ranked by U.S. News & World Report magazine as among the nation’s best children’s hospitals for at least the past four years.

Birmingham is Alabama’s center for advanced technology, with high-technology firms involved in industries such as telecommunications, engineering, aerospace design and computer services, in addition to health care. Southern Research Institute, located in Birmingham’s Oxmoor Valley Mixed-Use Development, is the largest nonprofit independent research laboratory located in the Southeast. In 2013, the NIH reported that the University of Alabama at Birmingham received \$158,404,542 in NIH funding, ranking 31st among institutions nationally.

Employment

According to preliminary data provided by the Alabama Department of Labor, the County’s civilian labor force totaled 305,111 as of August 2013. Of those persons, 285,622 were employed and 19,489 were unemployed, reflecting an unemployment rate for the County of 6.4%.

The following tables summarize the labor force, employment, and unemployment figures for the period from 2003 through 2012 for the County, the Birmingham-Hoover MSA, the State, and the United States.

**ANNUAL AVERAGE LABOR FORCE ESTIMATES
JEFFERSON COUNTY**

| Employment Status | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Civilian Labor Force | 318,771 | 317,073 | 315,476 | 317,635 | 315,210 | 309,490 | 303,911 | 304,414 | 307,055 | 305,558 |
| Employment | 302,832 | 302,119 | 303,569 | 306,692 | 304,780 | 294,831 | 274,790 | 276,382 | 281,342 | 284,866 |
| Unemployment Rate ¹ | 15,939 | 14,954 | 11,907 | 10,943 | 10,430 | 14,659 | 29,121 | 28,032 | 25,713 | 20,692 |
| | 5.0 | 4.7 | 3.8 | 3.4 | 3.3 | 4.7 | 9.6 | 9.2 | 8.4 | 6.8 |

¹ Expressed as a percentage
Source: Alabama Department of Labor, Bureau of Labor Statistics.

**ANNUAL AVERAGE LABOR FORCE ESTIMATES
BIRMINGHAM-HOOVER MSA**

| Employment Status | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Civilian Labor Force | 522,615 | 524,631 | 527,688 | 537,190 | 535,660 | 529,686 | 521,408 | 526,394 | 532,668 | 530,609 |
| Employment | 498,163 | 501,658 | 509,277 | 520,016 | 519,245 | 506,311 | 473,832 | 480,212 | 490,496 | 496,639 |
| Unemployment Rate ¹ | 24,452 | 22,973 | 18,411 | 17,174 | 16,415 | 23,375 | 47,576 | 46,182 | 42,172 | 33,970 |
| | 4.7 | 4.4 | 3.5 | 3.2 | 3.1 | 4.4 | 9.1 | 8.8 | 7.9 | 6.4 |

¹ Expressed as a percentage
Source: Alabama Department of Labor, Bureau of Labor Statistics.

**ANNUAL AVERAGE LABOR FORCE ESTIMATES
STATE OF ALABAMA**

| Employment Status | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Civilian Labor Force | 2,104,209 | 2,113,781 | 2,133,177 | 2,173,817 | 2,178,480 | 2,160,934 | 2,140,379 | 2,171,716 | 2,181,859 | 2,156,301 |
| Employment | 1,989,784 | 2,007,153 | 2,051,893 | 2,098,462 | 2,104,157 | 2,053,747 | 1,930,230 | 1,969,557 | 1,992,522 | 1,999,182 |
| Unemployment Rate ¹ | 114,425 | 106,628 | 81,284 | 75,355 | 74,323 | 107,187 | 210,149 | 202,159 | 189,337 | 157,119 |
| | 5.4 | 5.0 | 3.8 | 3.5 | 3.4 | 5.0 | 9.8 | 9.3 | 8.7 | 7.3 |

¹ Expressed as a percentage
Source: Alabama Department of Labor, Bureau of Labor Statistics.

**ANNUAL AVERAGE LABOR FORCE ESTIMATES
UNITED STATES**

| Employment Status | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Civilian Labor Force | 146,510 | 147,401 | 149,321 | 151,428 | 153,125 | 154,286 | 154,142 | 153,889 | 153,616 | 154,975 |
| Employment ¹ | 137,736 | 139,252 | 141,730 | 144,427 | 146,047 | 145,362 | 139,877 | 139,064 | 139,869 | 142,469 |
| Unemployment Rate ² | 8,774 | 8,149 | 7,591 | 7,001 | 7,078 | 8,924 | 14,265 | 14,825 | 13,747 | 12,506 |
| | 6.0 | 5.5 | 5.1 | 4.6 | 4.6 | 5.8 | 9.3 | 9.6 | 8.9 | 8.1 |

¹ Expressed as a percentage
Source: Alabama Department of Labor, Bureau of Labor Statistics.

Industries and Employers

According to the Alabama Department of Labor, the region's workforce is employed within the following occupational categories:

**JOBS BY NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM INDUSTRY ("NAICS") SECTOR
ALABAMA WORKFORCE DEVELOPMENT REGION 4¹**

| NAICS Industry | 2007 | | 2008 | | 2009 | | 2010 | | 2011 | |
|--|--------|------------------|--------|------------------|--------|------------------|--------|------------------|--------|------------------|
| | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total | Number | Percent of Total |
| Agriculture, Forestry, Fishing and Hunting | 886 | 0.2% | 837 | 0.2% | 814 | 0.2% | 753 | 0.2% | 780 | 0.2% |
| Mining, Quarrying, and Oil and Gas Extraction | 2,299 | 0.5 | 2,558 | 0.5 | 2,378 | 0.5 | 2,360 | 0.5 | 2,748 | 0.6 |
| Utilities | 8,222 | 1.7 | 8,601 | 1.8 | 8,712 | 1.9 | 8,975 | 2.0 | 8,353 | 1.9 |
| Construction | 31,424 | 6.6 | 30,664 | 6.5 | 23,931 | 5.3 | 21,375 | 4.8 | 22,663 | 5.0 |
| Manufacturing | 43,944 | 9.2 | 41,433 | 8.7 | 37,033 | 8.3 | 34,373 | 7.7 | 34,006 | 7.6 |
| Wholesale Trade | 30,069 | 6.3 | 30,468 | 6.4 | 28,012 | 6.2 | 26,868 | 6.0 | 27,170 | 6.0 |
| Retail Trade | 59,252 | 12.5 | 61,417 | 13.0 | 57,107 | 12.7 | 55,943 | 12.6 | 56,333 | 12.5 |
| Transportation and Warehousing | 12,959 | 2.7 | 12,164 | 2.6 | 12,102 | 2.7 | 12,134 | 2.7 | 12,656 | 2.8 |
| Information | 11,222 | 2.4 | 11,206 | 2.4 | 10,153 | 2.3 | 9,642 | 2.2 | 9,409 | 2.1 |
| Finance and Insurance | 33,294 | 7.0 | 33,858 | 7.1 | 32,327 | 7.2 | 30,855 | 6.9 | 33,018 | 7.3 |
| Real Estate and Rental and Leasing | 7,127 | 1.5 | 7,258 | 1.5 | 6,557 | 1.5 | 6,688 | 1.5 | 6,446 | 1.4 |
| Professional, Scientific, and Technical Services | 28,063 | 5.9 | 28,128 | 5.9 | 26,522 | 5.9 | 26,307 | 5.9 | 25,427 | 5.6 |
| Management of Companies and Enterprises | 8,323 | 1.7 | 8,330 | 1.8 | 9,697 | 2.2 | 9,208 | 2.1 | 9,240 | 2.1 |
| Administration & Support, Waste Management and Remediation | 26,862 | 5.6 | 26,507 | 5.6 | 21,736 | 4.8 | 22,397 | 5.0 | 23,801 | 5.3 |
| Educational Services | 37,731 | 7.9 | 37,925 | 8.0 | 38,967 | 8.7 | 39,035 | 8.8 | 38,538 | 8.6 |
| Health Care and Social Assistance | 62,527 | 13.1 | 60,608 | 12.8 | 62,339 | 13.9 | 64,645 | 14.5 | 65,736 | 14.6 |
| Arts, Entertainment, and Recreation | 4,186 | 0.9 | 4,012 | 0.8 | 4,244 | 0.9 | 4,608 | 1.0 | 4,340 | 1.0 |
| Accommodation and Food Services | 34,803 | 7.3 | 35,196 | 7.4 | 33,865 | 7.5 | 32,861 | 7.4 | 33,769 | 7.5 |
| Other Services (excluding Public Administration) | 13,424 | 2.8 | 13,812 | 2.9 | 12,897 | 2.9 | 13,029 | 2.9 | 13,390 | 3.0 |
| Public Administration | 19,166 | 4.0 | 18,799 | 4.0 | 19,410 | 4.3 | 23,521 | 5.3 | 22,360 | 5.0 |

¹ Alabama Workforce Development Region ("AWDR") 4 includes 6 of the 7 counties in the Birmingham-Hoover MSA (Blount, Chilton, Jefferson, Shelby, St. Clair and Walker counties). It does not include Bibb County, which is included in AWDR 3.

Source: Alabama Department of Labor, Longitudinal Employer Household Dynamics Partnership between Alabama Department of Labor, Labor Market Information and the U.S. Census Bureau, On the Map Application.

Numerous governmental entities and private companies are major employers within the County. The following table lists the largest employers in the Birmingham-Hoover MSA and their approximate number of employees:

**LARGEST EMPLOYERS
BIRMINGHAM-HOOVER MSA**

| <u>Company</u> | <u>Employment</u> | <u>Product</u> | <u>Type of Presence</u> |
|---|-------------------|---------------------------------------|-------------------------|
| University of Alabama at Birmingham (includes University of Alabama Health Services Foundation) | 23,000 | Education and Healthcare Services | Headquarters |
| Regions Financial Corporation | 6,000 | Financial Services (Banking) | Headquarters |
| AT&T | 5,750 | Information | Major Operations |
| St. Vincent's Health System | 4,703 | Education and Healthcare Services | Headquarters |
| Baptist Health System, Inc. | 4,000 | Healthcare and Management Services | Headquarters |
| Alabama Power Company | 3,982 | Utilities | Headquarters |
| Children's Health System/Children's of Alabama | 3,652 | Healthcare and Management Services | Headquarters |
| Blue Cross-Blue Shield of Alabama | 3,000 | Financial Services (Insurance) | Headquarters |
| BBVA Compass | 2,804 | Financial Services (Banking) | Headquarters |
| Brookwood Medical Center | 2,600 | Healthcare and Management Services | Headquarters |
| American Cast Iron Pipe Company | 2,400 | Metal Fabrication | Headquarters |
| U.S. Steel-Fairfield Works | 2,400 | Metal Fabrication | Major Operations |
| Southern Company Services | 2,116 | Utilities | Major Operations |
| Marshall Durbin Food Corporation | 2,000 | Food Processing | Headquarters |
| Trinity Medical Center | 1,879 | Healthcare and Management Services | Major Operations |
| EBSCO Industries, Inc. | 1,800 | Diverse Products/ Subscription | Headquarters |
| United States Social Security Administration | 1,800 | U.S. Government, Benefits | Regional |
| Drummond Company, Inc. | 1,550 | Mining and Natural Resources | Headquarters |
| Birmingham Veterans Affairs Medical Center | 1,525 | Healthcare and Management Services | Headquarters |
| McDonald's/CLP Corp. | 1,500 | Food and Beverage | Major Operations |
| Wells Fargo Bank | 1,466 | Financial Services (Banking) | Major Operations |
| Southern Progress Corporation | 1,400 | Publishing | Headquarters |
| Medical West | 1,300 | Education and Healthcare Services | Headquarters |
| State Farm Insurance | 1,300 | Financial Services (Insurance) | Major Operations |
| Protective Life Corporation | 1,290 | Financial Services (Insurance) | Headquarters |

Source: Birmingham Business Alliance (June 2013)

The number of business establishments in the County was relatively unchanged from 2000 through 2008. The recent recession has affected business establishments negatively.

**BUSINESS ESTABLISHMENTS
JEFFERSON COUNTY**

| Year | Total Establishments |
|-----------------------|----------------------|
| 2000 | 17,466 |
| 2001 | 17,397 |
| 2002 | 17,516 |
| 2003 | 17,361 |
| 2004 | 17,413 |
| 2005 | 17,490 |
| 2006 | 17,760 |
| 2007 | 17,638 |
| 2008 | 17,329 |
| 2009 | 16,789 |
| 2010 | 16,614 |
| 2011 | 16,278 |
| % Change, 2000 – 2011 | -6.8% |

Source: County Business Patterns, U.S. Census Bureau

Although agriculture is a major industry in the State, relatively small portions of the County are directly involved in agriculture. Moreover, the level of agricultural activity in the area has decreased significantly from 2002 to 2007, though such activity in Alabama has increased generally. The following table summarizes the most recently-available information regarding the size and value of the agriculture industry in the County.

**LAND AND VALUE OF AGRICULTURE INDUSTRY IN STATE OF
ALABAMA AND JEFFERSON COUNTY**

| | <u>Alabama</u> | | <u>Jefferson County</u> | |
|------------------------------|----------------|-------------|-------------------------|------------------|
| | <u>2002</u> | <u>2007</u> | <u>2002</u> | <u>2007</u> |
| Farms (number) | 45,126 | 48,753 | 463 | 470 |
| Land in Farms (acres) | 8,904,387 | 9,033,537 | 42,018 | 40,455 |
| Average size of farm (acres) | 197 | 185 | 91 | 86 |
| Value of Land and Buildings | | | | |
| Average per farm (\$) | 335,217 | 424,674 | 236,830 | 295,663 |
| Average per acre (\$) | 1,698 | 2,292 | 2,607 | 3,435 |
| Total Crop Land (acres) | 3,732,751 | 3,142,958 | 17,025 | 12,245 |
| Market Value of Agriculture | | | | |
| Products sold (\$1,000) | 3,264,949 | 4,415,550 | 14,437 | [¹] |
| Average per farm (\$) | 72,352 | 90,570 | 31,182 | [¹] |

¹ Information withheld by source in order to avoid disclosing data for individual farms.
Source: United States Department of Agriculture, Census of Agriculture

Although non-forestry agriculture makes up a shrinking portion of the County's economy, timber remains a key component of the County's economy, as over half of the acres in the County are forested. Approximately three-quarters of the land in the System service area is forested. The following charts show the forestry industry's impact on the counties comprising the System service area:

**ESTIMATED ECONOMIC IMPACT FROM FORESTRY
IN JEFFERSON COUNTY**

| <u>Category</u> | <u>Amount</u> |
|--|---------------|
| Direct and Indirect | |
| Employment (jobs) | 2,661 |
| Estimate Payroll (\$) | 86,289,190 |
| State Taxes Paid | |
| (income and severance) (\$) | 2,951,167 |
| Annual Sales by Forestry- Related Industries (\$) | 255,202,812 |
| Contribution to Gross Domestic Product (\$) | 99,178,590 |

Source: Alabama Forestry Association, Forest2Forest Markets: *The Economic Impact of Privately-Owned Forests*, 2009

SUMMARY OF FORESTRY INDUSTRY IN JEFFERSON COUNTY

| | |
|--|-----------|
| Forested Area (acres) | 404,894 |
| Softwoods | 163,931 |
| Oak-Pine | 85,258 |
| Hardwoods | 155,705 |
| Stand Acreage by Tree Size (acres) | |
| Total | 404,894 |
| Sawtimber | 216,746 |
| Pulpwood | 104,844 |
| Seedling/Sapling | 83,305 |
| Average Annual Cut ¹ (tons) | |
| Total | 375,732 |
| Softwoods | 231,148 |
| Hardwoods | 144,584 |
| Stumpage Revenue (\$) | |
| Total | 4,442,000 |
| Pine Sawtimber | 1,480,000 |
| Hardwood Sawtimber | 754,000 |
| Pine Pulpwood | 1,518,000 |
| Hardwood Pulpwood | 659,000 |
| Poles and Piling | 30,000 |

¹ Annual Average from 2001-2012

Source: Alabama Forestry Commission, Forest Resource Report 2012 (data for 2012 unless otherwise specified)

Median Family Income

Median Family Income is defined by the U.S. Census as the amount which divides the income distribution of families into two equal groups, half having incomes above the median, and half having incomes below the median.

**ESTIMATED MEDIAN FAMILY INCOME
(IN DOLLARS)**

| | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| United States | 61,500 | 64,000 | 64,440 | 64,200 | 65,000 | 64,400 |
| Alabama | 51,700 | 53,200 | 54,100 | 54,600 | 55,400 | 53,600 |
| Jefferson County, Alabama | 59,100 | 60,900 | 61,700 | 62,000 | 62,800 | 57,100 |

Source: HUD Office of Economic Affairs, Economic and Market Analysis Division.

Personal Income

"Per Capita Personal Income" is defined as the current income from all sources received by one resident in an area. It is measured before deduction of income and other personal taxes, but after deduction of personal contributions for social security, government retirement, and other social insurance programs. Per capita personal income in the Birmingham-Hoover MSA and the County are above the average for the State. Per capita personal incomes in the Birmingham-Hoover MSA are slightly below national averages, while per capita personal incomes in the County are generally at or above the national average.

| PER CAPITA PERSONAL INCOME (IN DOLLARS) | | | | | | | | |
|--|-------------------------------|-------------------|-----------------------|-------------------|------------------|-------------------|-----------------|-------------------|
| Year | Jefferson County ¹ | | Birmingham-Hoover MSA | | State of Alabama | | United States | |
| | Total Income | Per Capita Income | Total Income | Per Capita Income | Total Income | Per Capita Income | Total Income | Per Capita Income |
| 2002 | \$22,300,065 | \$33,916 | \$33,077,378 | \$31,118 | \$117,131,204 | \$26,145 | \$9,145,998,000 | \$31,798 |
| 2003 | 22,937,831 | 34,886 | 34,180,806 | 31,918 | 122,113,945 | 27,115 | 9,479,611,000 | 32,676 |
| 2004 | 24,738,890 | 37,710 | 37,027,224 | 34,342 | 130,761,503 | 28,861 | 10,043,284,000 | 34,300 |
| 2005 | 25,732,717 | 39,291 | 39,198,647 | 36,084 | 137,952,255 | 30,188 | 10,605,645,000 | 35,888 |
| 2006 | 27,364,538 | 41,721 | 41,850,890 | 38,087 | 146,303,967 | 31,606 | 11,376,460,000 | 38,127 |
| 2007 | 27,982,660 | 42,711 | 43,568,456 | 39,348 | 153,104,016 | 32,765 | 11,990,244,000 | 39,804 |
| 2008 | 28,937,384 | 44,078 | 45,360,895 | 40,606 | 159,009,262 | 33,701 | 12,429,284,000 | 40,873 |
| 2009 | 26,600,272 | 40,399 | 42,300,666 | 37,592 | 156,677,574 | 32,930 | 12,073,738,000 | 39,357 |
| 2010 | 27,820,724 | 42,256 | 44,155,704 | 39,108 | 162,228,293 | 33,905 | 12,423,332,000 | 40,163 |
| 2011 | 29,041,963 | 44,074 | 46,215,033 | 40,816 | 167,786,623 | 34,929 | 13,179,561,000 | 42,298 |
| 2012 ¹ | n/a | n/a | n/a | n/a | 173,236,230 | 35,926 | 13,729,063,000 | 43,735 |

¹ Total Income and Per Capita Income is not yet available for 2012 for Jefferson County and the Birmingham-Hoover MSA. State and U.S. 2012 data is preliminary.

Source: Bureau of Economic Analysis, U.S. Dept. of Commerce.

Poverty Estimates

The following tables set forth poverty estimates and rates for the United States, the State, the County, and the Birmingham-Hoover MSA:

| Poverty Estimates (All People) | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| United States | 38,231,474 | 38,757,253 | 38,052,247 | 39,108,422 | 42,868,163 | 46,215,956 | 48,452,035 |
| State of Alabama | 749,592 | 743,556 | 750,197 | 721,875 | 805,223 | 833,078 | 896,117 |
| Jefferson County | 100,709 | 91,811 | 97,227 | 88,637 | 107,081 | 119,809 | 120,760 |
| Birmingham-Hoover MSA | 147,557 | 142,612 | 149,291 | 139,325 | 162,060 | 187,110 | 186,270 |

| Poverty Rates (Percentage) | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| United States | 13.3% | 13.3% | 13.0% | 13.2% | 14.3% | 15.3% | 15.9% |
| State of Alabama | 16.9 | 16.6 | 16.6 | 15.9 | 17.5 | 18.9 | 19.1 |
| Jefferson County | 15.7 | 14.3 | 15.1 | 13.8 | 16.5 | 18.6 | 18.7 |
| Birmingham-Hoover MSA | 13.8 | 13.2 | 13.8 | 12.8 | 14.6 | 16.9 | 16.8 |

Source: U.S. Census Bureau, Small Area Income and Poverty Estimates Program, and Center for Business and Economic Research, The University of Alabama

Education

The Jefferson County Board of Education operates 56 schools with a combined enrollment of approximately 36,000 students. The Birmingham City Board of Education operates 49 schools and approximately 25,798 students. Eleven other public school systems in the County encompass 63 schools and more than 41,357 students in the aggregate. In addition, 96 private and denominational schools with grades ranging from kindergarten through high school operate in the Birmingham-Hoover MSA.

The County is home to five colleges and universities, two business schools, and five junior colleges and trade schools, with a combined enrollment of over 47,000 students. The largest such institution is the University of Alabama at Birmingham (UAB), which includes undergraduate and graduate programs and the UAB Medical Center. Considered as a separate division of the University of Alabama System, UAB is the third largest educational institution in the State, with a total enrollment of approximately 18,000. The UAB Medical Center consists of the University of Alabama Schools of Medicine, Dentistry, Nursing, Optometry, and Public Health, and the School of Community and Allied Health.

**INSTITUTIONS OF HIGHER EDUCATION
IN JEFFERSON COUNTY**

| | Type | Approximate Student Enrollment Fall 2012 |
|--|-----------------|---|
| <u>Four-Year Institutions</u> | | |
| Birmingham-Southern College | Private | 1,300 |
| Miles College | Private | 1,800 |
| Samford University | Private | 4,750 |
| Southeastern Bible College | Private | 175 |
| University of Alabama at Birmingham | State Supported | 18,000 |
| <u>Two-Year Institutions</u> | | |
| Herzing College of Business and Technology | Private | 410 |
| ITT Technical Institute | Private | 725 |
| Jefferson State Junior College | State Supported | 9,960 |
| Lawson State Community College | State Supported | 4,800 |
| Virginia College | Private | 5,260 |

Transportation

The County enjoys road, rail, air, and waterway transportation. It is the nexus for three interstate highways: I-65 between Huntsville-Decatur to the north and Montgomery to the south; and I-59 from Gadsden in the northeast and I-20 from Anniston in the east, which interstates merge in the County as I-59/20 serving Tuscaloosa to the southwest. Also, a new interstate highway, I-22, temporarily termed "Corridor X," is currently under construction which, when completed, will connect the County and Memphis, Tennessee. The projected completion date for I-22 is October 2014.

Rail freight service is provided by three Class I major railroads: Norfolk Southern Railway; CSX Transportation; and Burlington Northern Santa Fe Railway Corporation. AmTrak provides passenger service to the County through the Crescent, a daily passenger train running from New Orleans to New York. Over 100 truck lines maintain terminals in the area.

The County is home to Birmingham-Shuttlesworth International Airport, the largest airport in the State. The airport offers over 100 daily flights to 39 airports in 36 cities throughout the United States. Commercial airline service is provided by five major carriers (American, Delta, Southwest, United, and USAir). The airport presently ranks in the country's top 75 airports in terms of passengers served annually, which totaled 2.8 million passengers in 2012.

Barge transportation is available through private dock facilities at Port Birmingham in the western part of the County. These facilities are part of the Warrior-Tombigbee waterway system which provides access to the Port of Mobile in south Alabama, and is linked with the Tennessee-Tombigbee waterway system, which connects the County with 16,000 miles of barge routes stretching from the Great Lakes to the Gulf of Mexico.

County Growth Patterns

Similar to many urban areas in the United States, growth in Jefferson County has occurred in the suburbs, away from the original center of the City of Birmingham. The out-migration that occurred after 1950,

coupled with the mountainous topography of the County outside of the city center, led to significant demand for sewer service in the growth areas during a time period when regulatory requirements increased the cost of wastewater treatment.

The growth in the housing stock in Jefferson County does not mirror the County's population growth. Despite modest population growth in the County over the past several decades, housing units have nearly doubled since 1950, as the following table depicts:

**HOUSING UNITS
JEFFERSON COUNTY**

| Year | Total Establishments |
|------|----------------------|
| 1950 | 159,377 |
| 1960 | 194,751 |
| 1970 | 212,726 |
| 1980 | 259,843 |
| 1990 | 273,097 |
| 2000 | 288,162 |
| 2010 | 300,552 |

Source: Summary Population and Housing Characteristics, U.S. Census Bureau.

Several socio-economic factors have influenced the growth in housing, including a lower birthrate, smaller family size, and an increase in multifamily housing units. Several other factors have negatively impacted growth in Jefferson County, including moratoria on sanitary sewer facilities during the 1970s and economic downturns.

During the 1980s and 1990s, while Jefferson County's population declined by nearly 20,000, the population of Shelby County grew dramatically. The growth in Shelby County was facilitated by the completion of Interstate 459 in southern Jefferson County. Population growth was also occurring in other surrounding counties during the 1980s and 1990s, as the Birmingham MSA (then comprised of Blount, Jefferson, Shelby, St. Clair and Walker Counties) increased by 24,000.

Despite some variations, the general population growth trend over the past several decades has been away from the City of Birmingham's core and out to the suburbs. Commuting patterns substantiate these trends, as the U.S. Census Bureau's American Community Survey currently estimates that businesses within the County employ more than 94,000 residents of other counties, the majority of whom live in Shelby and St. Clair Counties.

Jefferson County Commission

Pursuant to Alabama Code Title 11, Act No. 97-147 and the case of *Michael Taylor et al. v. Jefferson County Commission, et al.*, CV 84-C-1730-S (1985), in the United States District Court for the Northern District of Alabama, the County is governed by a five (5) member Commission (each member, a "Commissioner", who is elected concurrently with the other members of the Commission). Each Commissioner serves and is elected from one of five geographical districts. Each Commissioner serves as the chair of one of the Commission's standing committees, which are identified as (1) Health Services and General Services, (2) Community Services and Roads and Transportation, (3) Finance and Information Technology, (4) Courts, Emergency Management, Land Planning and Development Services and (5) Administrative Services. All five Commissioners sit on each of the five standing committees. The standing committees exist to evaluate proposed items of Commission business and to advance or decline to advance such items to the agenda for a Commission meeting. Committees and their members have no operational responsibilities of the County - those responsibilities are expressly delegated to the County Manager under applicable state law.

The Commissioners elect one of their members to serve as President of the Commission at the beginning of each four-year Commission term. The President's duties include serving as presiding officer at all

Commission meetings, executing all contracts and other agreements which require approval of the Commission and executing all checks and/or warrants on the Commission accounts.

The five current Commissioners are:

David Carrington. Commissioner Carrington was elected in 2010 to his first term on the Commission, where he represents District 5 of the County. Commissioner Carrington graduated with honors from the University of Houston with an undergraduate degree in mathematics and a Master's of Business Administration. Prior to being elected to the Commission, he was a member for six years on the City Council of Vestavia Hills, a suburb of Birmingham, and served for four years as the City Council president. He has a wide and varied business background and is currently the president of Racing USA, Inc. He lives in Vestavia Hills, Alabama.

Commissioner Carrington currently serves as the President of the Commission.

Sandra Little Brown. Commissioner Brown was elected in November 2010 to her first term on the Commission, where she represents District 2. Her public service background includes having served as an elected member of the Birmingham City Council for four years. While on the City Council, she chaired the Birmingham Parks and Recreation & Cultural Arts Committees where she served as Park Board Commissioner and chaired the Birmingham Regional Arts Commission. Commissioner Brown is also an entrepreneur with over 20 years in sales. She is the owner of JJs T-shirts and Team World. She resides in Birmingham, Alabama.

Commissioner Brown is President Pro Tempore of the Commission.

George Bowman. Major General (ret.) Bowman first served on the Commission when he was appointed in 2007 by the Governor of Alabama to fill the remaining, one-year unexpired term of a resigning commissioner. He returned to the Commission in mid-2010 when he won a special election to replace the resigning District 1 Commissioner. In November 2010, he was re-elected to that position in the regular election. Major General Bowman holds a Master's in Public Administration from Shippensburg University in Pennsylvania. He also served a distinguished career in the United States Army and the Army Reserve, earning numerous decorations and awards during his service. Commissioner Bowman also worked for Liberty National Life Insurance Company at its home office in Birmingham. He resides in Center Point, Alabama.

James A. "Jimmie" Stephens. Commissioner Stephens was elected in November 2010 to his first term on the Commission, where he represents District 3. Commissioner Stephens attended Samford University, where he obtained both a Bachelor of Science in Business Administration and a Masters of Business Administration. He previously served as a city councilor on the Bessemer City Council and is past chairman of the Bessemer Board of Zoning Adjustments, the Bessemer Airport Authority and the Bessemer Commercial Development Authority. In addition, he is a former high school educator, where he taught business education courses. Commissioner Stephens has extensive business experience, primarily in the wholesale and retail fields. He lives in Bessemer, Alabama.

Joe Knight. Commissioner Knight was elected in November 2010 to his first term as Commissioner for District 4. Commissioner Knight has practiced as an attorney for the past twenty-three years and is the principal in T. Joe Knight, LLC, located in Birmingham. He is a member of the Alabama State Bar and Birmingham Bar Association. Prior to becoming an attorney, Commissioner Knight was Certified Registered Nurse Anesthetist (CRNA), a Nurse Clinician at UAB Hospital and Registered Nurse specializing in trauma. Commissioner Knight is General Counsel for the Alabama Association of Nurse Anesthetists. He is a member of the Alabama Association of Nurse Anesthetists and the American Association of Nurse Anesthetists. He lives in Trussville, Alabama.

Commissioner Carrington chairs the Committee of Administrative Services, which is comprised of the Environmental Services Department, the Human Resources Department and the County Attorney's Office. Commissioner Bowman serves as Chair of the Committee of Health Services and General Services which is comprised of the General Services Department, Cooper Green Mercy Health Services and the County Coroner's Office. Commissioner Brown chairs the Committee of Community Services and Roads and Transportation, which is comprised of the Roads and Transportation Department, the Office of Senior Citizens Services and Community,

Economic, and Workforce Development. The Chair of the Committee of Finance and Information Technology is Commissioner Stephens, and this committee is comprised of the departments of Finance, Revenue, Budget Management and Information Technology. Commissioner Knight chairs the Committee of Courts, Emergency Management and Land Planning and Development Services which is comprised of the County's Family and Juvenile Courts, the Emergency Management Agency, the Board of Registrars and Land Planning and Development Services.

Other Elected Officials

Sheriff. The Sheriff of Jefferson County is an elected official who serves as the chief law enforcement officer of the County. The Sheriff maintains full law enforcement jurisdiction throughout the County, with particular regard for providing service to the unincorporated areas of the County. These enforcement duties include handling criminal investigations and traffic accident investigations. The Sheriff also is responsible for the service of legal process for County courts, the conduct of public elections, and the operation and maintenance of the County jails.

The Sheriff is a member of the executive department of the State under Alabama Constitution §112 and regarded as a State official under Alabama law. *See Marsh v. Butler Co., Ala.*, 268 F.3d 1014, 1028 (11th Cir. 2001). Under Alabama Code (1975) § 11-8-3(c), as amended, and Alabama Code (1975) § 36-22-18, the County is required to fund the operations of the Sheriff's office.

Mike Hale is the current Sheriff of Jefferson County, having served in that position since 1998. In 2010, he was re-elected to a four-year term.

County Treasurer. The County Treasurer is an elected position whose office is responsible for receiving and keeping the money of the County and disbursing the same as provided for by State law.

Mike Miles is the current County Treasurer, having won election for a four-year term in 2012. Mr. Miles succeeds Jennifer Parsons Champion, who served as County Treasurer as of the Filing Date. Sherry McClain is the current Deputy County Treasurer of the "Bessemer Cutoff" division, having won election in 2012. She succeeded Doris Britton.

Tax Assessor. The Jefferson County Tax Assessor is responsible for processing tax returns on real and personal property, discovering and assessing taxable property, recording the ownership of property, and maintaining the County's tax roll.

Gaynell Hendricks is the current County Tax Assessor. She was elected to her first four-year term in 2008, and was re-elected in 2012. Andrew Bennett is the current Assistant Tax Assessor, serving the "Bessemer Cutoff" division of the County.

Tax Collector. The County Tax Collector is an elected officer who is responsible for the collection of real property and other taxes assessed by the County. J.T. Smallwood currently serves as County Tax Collector, holding that position since first elected in 2002. Grover Dunn is the current Assistant Tax Collector, serving the "Bessemer Cutoff" division of the County.

Probate Court Judges. The County Probate Judges are responsible for a variety of tasks, including issuing marriage licenses, recording real estate documents and other public records, probating wills and administering estates, issuing letters of guardianship and conservatorship, hearing adoptions and name change matters, hearing adult mental health involuntary commitment cases, processing applications for notaries public, and serving as the chief election official for the County.

The Honorable Alan King and the Honorable Sherri Friday both currently serve as Probate Judges.

District Attorney. The District Attorney is a publicly elected official who represents the State in the prosecution of criminal offenses within the County. Brandon Falls is the District Attorney, having most recently

won election in 2010 to a six-year term. Arthur Green, Jr. currently serves as the Deputy District Attorney for the "Bessemer Cutoff" division, having won re-election also to a six-year term in 2010.

County Management

County Manager / Chief Executive Officer. In August 2009, the Alabama Legislature passed Act 2009-662 and Act 2009-812, pursuant to which the Alabama Legislature directed the Commission to hire a county manager to serve as the County's chief executive officer on or before April 1, 2011. The legislation provided that the votes of four of the five Commissioners would be necessary to select a county manager. The legislation further mandated that the County engage a qualified national search firm to recruit candidates at any time the county manager position was vacant.

Shortly after the current Commission took office, it engaged a qualified national search firm to find qualified candidates to fill the county manager position. In Act 2011-69, the Alabama Legislature significantly revised the county manager law and extended the deadline for the County to appoint a county manager until June 1, 2011 (or October 1, 2011 if the initial search failed to produce a county manager). The initial national search identified three finalists from a pool of over 50 applicants; however, two of the finalists withdrew from consideration, and the third finalist did not garner the requisite support of the Commission.

The Commission resumed its search for a county manager. In addition to seeking applicants from across the country, the Commission also focused efforts on identifying local candidates who were both qualified for and interested in the position.

On September 27, 2011, the Commission unanimously selected Tony Petelos to serve as the County's first County Manager. Mr. Petelos came to the position with extensive public service and management experience. From 2004 to 2011, Mr. Petelos served as the Mayor of the City of Hoover, the County's second largest city and the sixth largest city in Alabama. Before that, he served in the Alabama House of Representatives from 1986 through 1997, where he also served as chair of the House's Jefferson County Delegation from 1990 to 1996. In 1997, Mr. Petelos was appointed by Governor Fob James as Commissioner of the Alabama Department of Human Resources after the department entered a federal consent decree. He was subsequently re-appointed by Governor Don Siegelman.

As County Manager, Mr. Petelos has assumed day-to-day management authority for the County's operations, a responsibility that previously had been borne by the Commissioners themselves, on top of their legislative functions. Centralizing the executive functions of the County in the County Manager's office has resulted in substantial efficiencies and improvements in the County's operations. Mr. Petelos oversees the implementation of authorized projects and programs, ensures appropriate coordination of departmental operations, analyzes and implements organizational changes to improve the efficient and economical operation of County government, and recommends policies and adopts procedures for the orderly conduct of the County's administrative affairs. Mr. Petelos' office also is charged with the County's budget planning and oversight process, which entails reviewing and evaluating budget estimates of all County departments, submitting an annual budget to the Commission for its review and approval, reviewing County revenues and expenditures throughout the year to insure budgetary control and to keep the Commission advised of the financial condition and needs of the County, implementing necessary and prudent fiscal controls, and providing recommendations as to supplemental appropriations and budget transfers which require Commission approval. Mr. Petelos (or Deputy County Manager Walter Jackson) attends all Commission meetings, where he, as County Manager, may discuss any matter before the Commission, although he has no vote on Commission matters.

The County Manager is the appointing authority for all County employees with the exception of the County Attorney, the County Attorney's staff attorneys and their merit system staff, elected County officials and their appointed staff. Aside from the limited exceptions stated above, the County Manager has the authority to select, appoint, evaluate, terminate and retain department heads and county employees. This arrangement will be impacted by the appointment of the Employment Discrimination Receiver.

Chief Financial Officer. In July 2012, the Commission approved hiring George Tablack as the County's Chief Financial Officer. Prior to joining the County, Mr. Tablack served as budget director and county

administrator for Mahoning County in Ohio. He holds a Bachelor of Science in accounting from The Ohio State University and is a Certified Public Accountant (CPA). Mr. Tablack was invited with 100 financial officers to give expert testimony to the Council for Excellence in Government, Washington D.C. He is an active member of the American Institute of Certified Public Accountants, Government Finance Officers Association and a national lecturer on governmental accounting and management issues. In addition, he has taught advanced cost accounting at Mount Union University.

As Chief Financial Officer, Mr. Tablack reports directly to the County Manager. The Chief Financial Officer has primary executive responsibility for the County's finance, revenue, purchasing, information technology and budget management offices.

County Attorney. Carol Sue Nelson serves as County Attorney for Jefferson County. The Commission approved her appointment in May 2013, and she assumed the role of County Attorney effective June 3, 2013. Prior to joining the County, Ms. Nelson was a shareholder at the Birmingham-based law firm of Maynard Cooper & Gale, where she concentrated her practice in the fields of labor and employment law. Ms. Nelson graduated *magna cum laude* from the Cumberland School of Law, and earned her undergraduate degree from Auburn University.

As County Attorney, Ms. Nelson reports directly to the Commission. She supervises a staff of three in-house attorneys and oversees the work of numerous outside law firms retained from time to time by the County. The County Attorney's office is responsible for representing and advising the County, its elected officials and appointed officers and department heads. The elected officials and appointed officers include the Commission, the County Manager, the Deputy County Manager, the Chief Financial Officer, the Tax Collector and Tax Assessor, the Probate Judges, the Election Commission (comprised of the Sheriff, Clerk of Court and Probate Judge) and the Treasurer. The operating departments include the Finance Department, Revenue Department, Roads and Transportation Department, Environmental Services Department, Land Development Department, the Board of Equalization, the Cooper Green Mercy Health Services, the Coroner, the General Services Department, the Family Court, the Juvenile Detention facility, the Human Resources Department, the Budget Management Department, the Board of Registrars, the Inspection Services Department, the Community and Economic Development Department, the Department of Information Technology, the General Retirement System for Employees of Jefferson County, Alabama and the Jefferson County Emergency Management Agency. The County Attorney's office represents these persons in a variety of matters, including the defense of claims, negotiation of contracts, compliance, and a variety of litigation matters.

Environmental Services Director. David Denard is the Director of the County's Environmental Services Department. In this capacity, Mr. Denard manages the day-to-day operations of the System and is primarily responsible for long-range planning for the Department. He is also responsible for the management of approximately 390 County employees who work within the Environmental Services Department. Mr. Denard earned a Bachelor of Science in Civil Engineering degree from the University of Alabama at Birmingham. Mr. Denard is a registered Professional Engineer in the State of Alabama and has over eighteen (18) years of engineering experience. Mr. Denard has been employed with the County since 1999, serving as Director of the Environmental Services Department since 2007. Mr. Denard reports directly to the County Manager.

County Employees and County Employment Decisions

The number of permanent filled employee positions with the County has decreased by more than 46% over the past six years. In 2008, the County had 3,837 employees. In 2009 and 2010, the numbers were 3,548 and 3,544, respectively. In 2011, the County's employment ranks dropped to 3,160. As of December 31, 2012, the number had dropped further to 2,590. As of October 18, 2013, the number of County employees was 2,055.

The Personnel Board of Jefferson County (the "Personnel Board") possesses substantial administrative responsibility over the County's employment practices. The Personnel Board is a human resources organization established by the Alabama Legislature in 1935 to administer the civil service, or merit, system for the County and certain other municipalities within the County. The Personnel Board is responsible for establishing and administering rules and regulations to assure compliance with Act 248, H.580, adopted by the Alabama Legislature in 1945 (as amended, the "Enabling Act"), and to ensure that the County's civil service employees are treated in

accordance with the Enabling Act's provisions. To that end, the Personnel Board classifies positions throughout the County, tests potential candidates for employment, establishes hiring registers, develops and administers pay schedules, coordinates the adjudication of grievances, and maintains employee history records. The County's participation in the Personnel Board system is not optional, but is mandated by the Enabling Act.

The Personnel Board operates under the auspices of a three-member panel. This three-member panel is appointed by a Citizens' Supervisory Commission comprised of 17 civic leaders from throughout the County. The composition of the Citizens' Supervisory Commission is defined in the Enabling Act. Each panel member serves a staggered six-year term. A personnel director reports directly to the three-member panel and is responsible for the day-to-day operations of the Personnel Board.

The Personnel Board's expenses throughout its fiscal year are paid by the County, as required by the Alabama Legislature pursuant to the Enabling Act. At the end of each fiscal year, the County submits to the Personnel Board the total sum the County has expended on Personnel Board operations. Once these expenses have been approved, the County and the other municipalities that participate within the Personnel Board system are billed for their respective shares of such annual expenses. For fiscal year 2011, the percentage of the Personnel Board's expenses allocated to the County was 34.9% of the total amount billed.

On December 11, 2012 at the conclusion of a contempt hearing in the long-standing employment discrimination Consent Decree case *United States v. Jefferson County*, CV-75-666 (N.D. Ala.), the U.S. District Court ordered that all hiring activity at the County be halted. The U.S. District Court allowed, however, that limited and essential recall, hiring and promotion could occur pursuant to interim selection procedures under a court-approved process. This process was subsequently pronounced under a set of temporary orders. Pursuant to and during the duration of these orders, any hiring, promotion or recall by the County, including in the Environmental Services Department, must adhere to this court-mandated process. Under this process, after the department head indicates the number of positions in merit-system job classes that must be filled and the County Manager approves the hiring need, the County requests that the Personnel Board provide the racial and gender identification of all of the applicants on the Personnel Board's register of eligibles, certification list, and layoff list to the extent one exists for the classification and specified number of positions. If there is not an active register for the requested job classification, the Personnel Board creates one pursuant to their rules and procedures. Once the Personnel Board provides this demographic information, the County proposes an interim selection procedure and the parties to the litigation engage in a meet and confer process. If all parties agree on an interim selection procedure, the County files an unopposed motion for approval, which is typically granted quickly (within a day or two). If the parties do not agree on an interim selection procedure, the County may still file a motion with the U.S. District Court to approve the proposed selection procedure, but the other parties are afforded the opportunity to oppose that procedure and the U.S. District Court decides if the hiring can proceed and, if so, according to what selection procedure.

As a matter of course, the most frequently agreed-upon and court-approved interim selection procedure has been random selection from certification lists, after exhaustion of any available layoff lists. Layoff lists exist when the job classification was previously subject to a reduction in force, and under Personnel Board rules, individuals on these lists have seniority rights to return to a position in this class for a period of time. It should be noted, however, that the Environmental Services Department is specifically identified in the Employment Discrimination Consent Decree, and there was significant testimony during the contempt trial about problems with hiring and other discriminatory practices in this department. Also, in connection with the contempt trial, the County stipulated that previous hiring procedures had resulted in adverse impact to African Americans and females in the job classification of Wastewater Treatment Plant Operator and with regard to females in the job classification of Sewer Service Inspector. Thus, to the extent the demographics of the applicant lists provided by the Personnel Board are not sufficiently diverse, or if the County has to exhaust a layoff list (per Personnel Board rules) that would, from the plaintiffs' perspective perpetuate the discrimination by returning non-minorities with more seniority into jobs they may not have received if the County had been complying with the decree, then the County may not be successful in obtaining the consent of the other parties to a proposed selection procedure, and may need to file an opposed motion with the U.S. District Court which could add significant delay to the hiring process. This could be particularly true in the Wastewater Treatment Plant Operator and Sewer Service Inspector job classifications.

Under the Employment Discrimination Order entered by the U.S. District Court on October 25, 2013, these temporary orders will remain in place for a maximum of 120 days (until February 22, 2014), but they

could dissolve sooner upon the Employment Discrimination Receiver's initiative. When the Employment Discrimination Receiver assumes control over the hiring process for the County and throughout his tenure (projected to be three years or less), it is anticipated that the department heads will still identify the job classifications and positions their respective departments need. The department heads will communicate their hiring needs to the County Manager and the Employment Discrimination Receiver. If approved, the Employment Discrimination Receiver will then request a certification list from the Personnel Board, and upon receipt, he alone will determine the appropriate selection procedure that should be used to fill the requested position(s). The Employment Discrimination Receiver's mandate from the U.S. District Court is to develop and replace the previous and interim procedures currently in place with lawful, merit-based selection procedures. To this end, the Employment Discrimination Receiver may engage outside consultants such as industrial/organizational psychologists to help develop validated selection procedures for hiring and promotion in certain limited job classifications.

The County anticipates being able to manage personnel in accordance with the Environmental Services Department's personnel plan; however, all hiring and termination practices will be subject to the oversight and approvals set forth above. This may, among other things, delay hiring and termination decisions, and affect the identification or selection of individuals qualified for certain employment positions. See "LITIGATION AND OTHER MATTERS – Jefferson County Employment Discrimination Receiver – *United States v. Jefferson County, et al.*" in the Official Statement.

Department of Finance

The Department of Finance is responsible for the administration of the financial affairs of the County and the maintenance of its accounting records. The Finance Department, a division of the Department of Finance, directs the County's financial program by assembling, maintaining and preparing the County's financial records and statements and by assisting in budget hearings.

Historically, the County was audited by the State Department of Examiners of Public Accounts. In 2006, the County decided to have its financial statements audited by a certified public accounting firm. A copy of the financial statements of the County, and the associated notes to such financial statements, as of and for the fiscal year ended September 30, 2012, as audited by Warren Averett, LLC, Independent Certified Public Accountants, Birmingham, Alabama, is attached as Appendix K hereto.

Budget System

The budget for the County consists of an operating budget for each of the funds maintained by the County. Together, these separate operating budgets constitute a complete financial plan for the County and reflect the projection of the receipts, disbursements and transfers from all sources. Pursuant to Act 2011-69 of the Alabama Legislature, all of the operating budgets are developed by the County Manager, who reviews and evaluates budget estimates from the County's various departments and then submits the recommended annual budget to the Commission. Under Alabama law, the County Manager is charged with causing the planning process for the County's budget to be compatible with approved County policies and long range plans.

Upon submission of the proposed budgets by the County Manager, the Commission holds public meetings at which the requests of the individual County departments recommended by the County Manager are fully reviewed. After conclusion of the meetings, the Commission may add new expenditures or increase, decrease or delete expenditures in the proposed budgets, provided that expenditures for debt service or any other expenditures required by law to be included may not be deleted from the budgets. The Commission is prohibited by law from adopting budgets in which the total of expenditures exceeds the estimated total receipts and available surplus.

The Commission is required to adopt the annual budgets before October 1 of the fiscal year in which the budgets are to take effect. Upon adoption by the Commission, the budgets are printed for distribution to all departments of the County, as well as financial institutions and the general public. Appropriations in addition to those in the original budgets may be made by the Commission if unencumbered and unappropriated moneys sufficient to meet such appropriations are available.

Accounting System

The basic financial statements include both the government-wide (based on the County as a whole) and fund financial statements.

Government-Wide Financial Statements. The statement of net assets and the statement of activities display information about the County as a whole and its blended component units. These statements include the financial activities of the primary government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between program revenues and direct expenses for each segment of the business-type activities of the County and for each function of the County's governmental activities. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. During 2012, indirect expenses were allocated to the various functions using different bases, as deemed appropriate for the individual expense.

Fund Financial Statements. The fund financial statements provide information about the County's funds, including fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. As a general rule, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Revenue from property taxes and grants are recognized in the fiscal year for which the taxes and grants are both due and collectible and available to fund operations.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are charges between the government's enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and

judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. General long-term debt issued and acquisitions under capital leases are reported as other financing sources.

The following major governmental funds are included in the County's financial statements:

- *General Fund* - This fund is the primary operating fund of the County. It is used to account for financial resources except those required to be accounted for in another fund. The County primarily receives revenues from collections of property taxes, county sales taxes and revenues collected by the State of Alabama and shared with the County.
- *Limited Obligation School Fund* - This fund is used to account for the sales tax collected for the payment of principal and interest on the Limited Obligation School Warrants.
- *Indigent Care Fund* - This fund is used to account for the expenditure of beverage and sales taxes designated for indigent residents of the County.
- *Bridge and Public Building Fund* - This fund is used to account for the expenditure of special County property taxes for building and maintaining public buildings, roads and bridges.

Other nonmajor governmental funds are as follows:

- *Debt Service Fund* - This fund is used to account for the accumulation of resources for and the payment of the County's principal and interest on governmental bonds.
- *Community Development Fund* - This fund is used to account for the expenditure of federal block grant funds.
- *Capital Improvements Fund* - This fund is used to account for the financial resources used in the improvement of major capital facilities.
- *Public Building Authority* - This fund is used to account for the operations of the Jefferson County Public Building Authority. This authority was incorporated in 1998 for the general purpose of providing public facilities for the use of the County and its agencies.
- *Road Construction Fund* - This fund is used to account for the financial resources expended in the construction of roads.
- *Home Grant Fund* - This fund is used to account for the expenditure of funds received to create affordable housing for low income households.
- *Emergency Management Fund* - This fund is used to account for the expenditure of funds received for disaster assistance programs.

The County currently reports enterprise funds as its only type of proprietary fund. Enterprise funds report the activities for which fees are charged to external users for goods or services. This fund type is also used when the activity is financed with debt that is secured by a pledge of the net revenues from the fees. Proprietary funds distinguish operating revenues and expenses from nonoperating items in their statement of revenues, expenses and changes in fund net assets. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's enterprise funds are charges to customers for the purchase or use of the proprietary fund's principal product or service. Operating expenses for the County's

enterprise funds include the cost of providing those products or services, administrative expenses, depreciation on capital assets and closure and postclosure care costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major enterprise funds are included in the County's financial statements:

- *Cooper Green Hospital Fund* - This fund is used to account for the operations of Cooper Green Mercy Hospital. Net revenues are derived from patient charges and reimbursements from third parties, including Medicare and Medicaid. (It should be noted in 2012 Cooper Green Hospital was converted from an inpatient hospital to an urgent care facility and clinic.)
- *Sanitary Operations Fund* - This fund is used to account for the operations of the County's sanitary sewer systems. Revenues are generated primarily through user charges, impact fees and designated property and ad valorem taxes.

Other nonmajor enterprise funds are as follows:

- *Landfill Operations Fund* - This fund is used to account for the operations of the County's landfill systems. Revenues are generated primarily through user charges and lease payments from a third-party lessee.
- *Jefferson Rehabilitation and Health Center Fund* - This fund is used to account for the operations of in-patient nursing facilities. Net revenues are received from patient charges and reimbursements from third parties, principally Medicaid. (It should be noted that the assets of the Jefferson Rehabilitation and Health Center were sold in 2013.)
- *Jefferson County Economic and Industrial Development Authority* - This fund is used to account for the operations of the Jefferson County Economic and Industrial Development Authority. This authority was incorporated in 1995 to engage in the solicitation and promotion of industry and industrial development and to induce industrial and commercial enterprises to locate, expand or improve their operations or remain in Jefferson County.

The County currently reports fiduciary funds as its only type of agency fund. Fiduciary funds are used to report assets held by the County in a purely custodial capacity. The County collects these assets and transfers them to the proper individual, private organizations or other government.

The following fiduciary fund is presented with the County's financial statements:

- *City of Birmingham Revolving Loan Fund* - This fund is used to account for resources held by the County in a custodial capacity for the City of Birmingham's revolving loan program.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has not elected to follow subsequent private-sector guidance.

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

As a governmental unit, the County is exempt from federal and state income taxes.

County Revenues and Expenditures

Summary of General Fund Revenues and Expenditures.

The following table sets forth the consolidated revenues, expenditures and changes in fund balance with respect to the County's General Fund for each of the past five years. Such information is taken from the audited financial statements for the County for the fiscal years ended September 30, 2008 through and including September 30, 2012:

| | (amounts shown in thousands) | | | | |
|---|------------------------------|-----------------|-----------------|-----------------|-----------------|
| | <u>2012</u> | <u>2011</u> | <u>2010</u> | <u>2009</u> | <u>2008</u> |
| Revenues | | | | | |
| Taxes | \$97,758 | \$98,969 | \$97,236 | \$103,108 | \$102,574 |
| Licenses and Permits | 7,610 | 17,830 | 76,321 | 31,246 | 76,832 |
| Intergovernmental | 31,606 | 35,852 | 35,584 | 38,859 | 38,378 |
| Charges for services, net | 31,881 | 31,021 | 28,192 | 26,981 | 28,279 |
| Miscellaneous | 4,492 | 34,389 | 58,785 | 4,641 | 5,762 |
| Interest and Investment Income | 242 | 1,871 | 1,815 | 4,605 | 4,408 |
| | <u>173,589</u> | <u>219,932</u> | <u>297,933</u> | <u>209,440</u> | <u>256,233</u> |
| Expenditures | | | | | |
| Current: | | | | | |
| General government | 104,372 | 136,754 | 142,400 | 141,708 | 151,366 |
| Public safety | 59,224 | 62,274 | 59,538 | 69,169 | 72,904 |
| Highway and roads | 14,792 | 19,890 | 23,396 | 22,860 | 28,361 |
| Health and welfare | - | - | - | - | 39 |
| Environmental services | - | - | - | - | 108 |
| Culture and recreation | - | 286 | 286 | 5,286 | 10,286 |
| Education – other | 1 | 1 | 349 | 3 | 167 |
| Capital outlay | 306 | 1,607 | 1,249 | 2,166 | (1,409) |
| Indirect expenses | (7,071) | (12,632) | (10,660) | (10,399) | - |
| Debt service: | | | | | |
| Principal retirement | 54 | 357 | 48 | 53 | - |
| Interest and fiscal charges | 38 | 25 | 9 | 37 | 185 |
| | <u>171,716</u> | <u>208,562</u> | <u>216,615</u> | <u>230,883</u> | <u>262,007</u> |
| Excess (Deficiency) of Revenues over Expenditures | 1,873 | 11,370 | 81,318 | (21,443) | (5,774) |
| Other Financing Sources (Uses) | | | | | |
| Proceeds from capital leases/Sale of capital assets | 400 | 1,213 | 61 | 29 | 117 |
| Transfers in | 15,456 | 50 | 13,058 | 1,361 | 22,703 |
| Transfers out | (9,042) | (18,735) | (19,081) | (11,615) | (7,797) |
| | <u>6,814</u> | <u>(17,472)</u> | <u>(5,962)</u> | <u>(10,225)</u> | <u>15,023</u> |
| Net Changes in Fund Balance | 8,687 | (6,102) | 75,356 | (31,668) | 9,249 |
| Fund Balance – beginning of year, as previously reported | 79,379 | 84,579 | 10,418 | 42,086 | 40,056 |
| Prior Period Adjustments | - | 902 | (1,195) | - | (7,219) |
| Fund Balance – beginning of year, as restated | <u>79,379</u> | <u>85,481</u> | <u>9,223</u> | <u>42,086</u> | <u>32,837</u> |
| Fund Balance – end of year | <u>\$88,066</u> | <u>\$79,379</u> | <u>\$84,579</u> | <u>\$10,418</u> | <u>\$42,086</u> |

General Sales and Use Tax Revenues

The County levies and collects sales and use taxes (the "General Sales and Use Tax") at a rate of 1.0% pursuant to the provisions of Act No. 405 enacted at the 1967 Regular Session of the Legislature of Alabama,

as amended by Act No. 659 enacted at the 1973 Regular Session of the Legislature of Alabama. The following table sets forth the general Sales and Use Tax revenues for the fiscal years ended September 30, 2003 through September 30, 2012:

General Sales and Use Tax Revenues

| Fiscal Year Ending September 30 | Total Amount |
|--|---------------------|
| 2003 | \$82,381,463 |
| 2004 | \$86,730,044 |
| 2005 | \$91,945,154 |
| 2006 | \$94,840,535 |
| 2007 | \$96,818,757 |
| 2008 | \$96,087,534 |
| 2009 | \$85,291,553 |
| 2010 | \$86,370,576 |
| 2011 | \$91,361,692 |
| 2012 | \$96,506,712 |

Source: Jefferson County Revenue Department; represents the amount collected from the one-cent general sales and use tax.

Education Tax Revenues

Pursuant to Ordinance No. 1796 (the "Education Tax Ordinance") the County levies a special one-cent sales and use tax (the "Education Tax"), the proceeds of which may be used only for public school purposes, including capital improvements and retirement of debt. Revenues from the Education Tax are specially pledged to certain outstanding warrants of the County, consisting of the Series 2005-B School Warrants and the County's Limited Obligation School Warrants, Series 2004-A, and Limited Obligation School Warrants, Series 2005-A (collectively, the "School Warrants"). Pursuant to the Education Tax Ordinance, at such time as the School Warrants have been fully paid, the levy of the Education Tax shall automatically be terminated without further action by the County. The following table sets forth the Education Tax revenues for the fiscal years ended September 30, 2005 (the tax having been implemented in January 2005) through September 30, 2012:

Education Tax Revenues

| Fiscal Year Ending September 30 | Total Amount |
|--|---------------------|
| 2005 | \$56,226,741 |
| 2006 | \$94,985,060 |
| 2007 | \$97,123,665 |
| 2008 | \$96,848,180 |
| 2009 | \$85,836,200 |
| 2010 | \$86,549,167 |
| 2011 | \$90,914,208 |
| 2012 | \$97,613,345 |

Source: Jefferson County Revenue Department

Occupational Tax Revenues

As more particularly described in this Official Statement, the County heretofore levied its Occupational Tax, which no longer is in effect or being collected. See Appendix H – "JEFFERSON COUNTY BANKRUPTCY – Events Leading to Filing of Bankruptcy Case" hereto. The following table sets forth the Occupational Tax revenues for the fiscal years ended September 30, 2003 through September 30, 2012:

Occupational Tax Revenues

| Fiscal Year Ending September 30 | Total Amount |
|---------------------------------|--------------|
| 2003 | \$54,960,587 |
| 2004 | \$58,566,066 |
| 2005 | \$61,010,652 |
| 2006 | \$63,316,443 |
| 2007 | \$67,012,708 |
| 2008 | \$68,619,706 |
| 2009 | \$27,966,048 |
| 2010 | \$62,548,257 |
| 2011 | \$10,302,041 |
| 2012 | - |

Source: Jefferson County Revenue Department

Ad Valorem Taxes

General

The levy and collection of ad valorem taxes in Alabama is subject to the provisions of the Constitution of Alabama of 1901, which limit the ratios at which property may be assessed, specifies the maximum millage rates that may be levied on property and limits total ad valorem taxes on any property in any year. The Warrants will not constitute general obligations of or a charge against the general credit or taxing power of the County but instead are limited obligations of the County payable solely out of the Trust Estate.

Classification of Taxable Property

For purposes of ad valorem taxation, all taxable property in Alabama is required under current law to be divided into the following four classes:

- | | | |
|-----------|---|---|
| Class I | - | All property of utilities used in their business * |
| Class II | - | All property not otherwise classified* |
| Class III | - | All agricultural, forest and single family, owner-occupied residential property, and historic buildings and sites |
| Class IV | - | Private passenger automobiles and pickup trucks |

*Under applicable law, railroad property is not considered Class I (utility) property and is instead Class II.

Taxable property designated as "Class III" may, upon the request of the owner of such property, be appraised at its "current use value" rather than its "fair and reasonable market value." "Current use value" was originally defined in a legislative act as the value of such property based on the use being made of it on October 1 of the preceding year, without taking into consideration the "prospective value such property might have if it were put to some other possible use." Amendatory legislation, effective since the beginning of the 1981-82 tax year, extensively revised the formulas and methods to be used in computing the current use property value of agricultural and forest property. However, the original statutory definition, though somewhat modified, remains applicable to residential and historical property.

There are exempted from all ad valorem taxes household and kitchen furniture, farm tractors, farming implements when used exclusively in connection with agricultural property, and inventories of goods, wares and merchandise.

Assessment Ratios

The following are the assessment ratios now in effect in the County for purposes of state and local taxation:

| | | | |
|-------|-----|---|-----|
| Class | I | – | 30% |
| Class | II | – | 20 |
| Class | III | – | 10 |
| Class | IV | – | 15 |

Although current law provides in effect that with respect to ad valorem taxes levied by the County, the governing body of the County may, subject to the approval of the Legislature and of a majority of the electorate of the County at a special election, and in accordance with criteria established by legislative act, adjust (by increasing or decreasing) the ratio of assessed value of any class of taxable property to its fair and reasonable market value or its current use value (as the case may be), the governing body of the County has not heretofore sought to make any adjustment of the assessment ratio applicable to any class of taxable property in the County and has no present plans for any such adjustment. The Legislature has no power over the adjustment of assessment ratios pertaining to local taxes except to approve or disapprove an adjustment proposed by a local taxing authority. The assessment ratio applicable to each class of taxable property must in any event be uniform with respect to ad valorem taxes levied by the County.

Current Ad Valorem Tax Rates

Pursuant to the Constitution and laws of the State, ad valorem taxes on property in the County (excluding, however, municipal and school district ad valorem taxes levied in the County) are currently levied at the following rates:

| | Rates in Mills (Dollars per 1,000 of Assessed Value) |
|--------------------|---|
| State of Alabama | 6.5 |
| Jefferson County: | |
| General | 5.6 |
| Road | 2.1 |
| Bridge | 5.1 |
| Sewer | 0.7 |
| County-wide School | <u>8.2</u> |
| | 21.7 |
| TOTAL MILLS | <u>28.2</u> |

Source: Alabama Department of Revenue, 2012 Millage Rates

Existing law provides that the rate of any ad valorem tax levied by the County may be increased only after the approval of the Alabama Legislature and of a majority of the electorate of the County at a special election. The constitutional limitation on the total ad valorem taxes (*i.e.*, state, county, municipal, school district, etc.) on any property in any one year to certain percentages of the fair and reasonable market value of such property is by its terms not applicable to property in two municipalities in the County.

Homestead Exemption

The governing body of the County is authorized by law to grant a homestead exemption of not exceeding \$4,000 in assessed value against any County ad valorem tax except one "earmarked for public school purposes."

Assessment and Collection

Ad valorem taxes on taxable properties, except motor vehicles and public utility properties, are assessed by the County Tax Assessor and collected by the County Tax Collector. Ad valorem taxes on motor vehicles in the County are assessed and collected by the Jefferson County License Director, and ad valorem taxes on public utility properties are assessed by the State Department of Revenue and collected by the County Tax Collector.

Ad valorem taxes are due and payable on October 1 and delinquent after December 31 in each year (except for taxes with respect to motor vehicles, which have varying due dates), after which a penalty and interest are required to be charged. If real property taxes are not paid by the March 1 following the due date, a tax sale is required to be held.

The Jefferson County Tax Collector has in recent years collected, on average, in excess of 98% of ad valorem taxes (state, county, municipal and school district) levied.

Property Re-evaluation Program

Under existing procedures of the State Department of Revenue, each county in the State is effectively required to carry out a property reappraisal program over a four-year cycle so that at least 25% of the taxable property in the County is reappraised each year for ad valorem tax purposes. The Department of Revenue also annually reviews the appraised values and the fair market values of a representative sample of taxable property in each county in the State. A county property reappraisal program is customarily ordered by the Department of Revenue if such annual review indicates that the appraised value of property in such county has fallen below 85% of its then current fair market value.

The current level of property tax collection is dependent on many factors, including possible taxpayer appeals from increased property assessments. There can be no assurance that the current level of property tax collection will continue.

Assessed Valuation

The following table sets forth the Net Assessed Value of taxable property in the County for the fiscal years ended September 30, 2003 through September 30, 2012:

Net Assessed Value ⁽¹⁾

| Tax Year Ending September 30 ⁽²⁾ | Real & Personal Property and Public Utility Property | Motor Vehicles | Total Net Assessed Values |
|--|---|-----------------------|--------------------------------------|
| 2003 | \$ 6,000,171,881 | \$ 843,387,840 | \$ 6,843,559,721 |
| 2004 | \$ 6,355,450,404 | \$ 851,610,300 | \$ 7,207,060,704 |
| 2005 | \$ 6,692,153,068 | \$ 897,031,920 | \$ 7,589,184,988 |
| 2006 | \$ 7,236,058,226 | \$ 950,638,720 | \$ 8,186,696,946 |
| 2007 | \$ 7,744,422,422 | \$ 959,570,458 | \$ 8,703,992,880 |
| 2008 | \$ 8,238,988,223 | \$ 950,681,658 | \$ 9,189,669,881 |
| 2009 | \$ 8,154,366,233 | \$ 843,094,468 | \$ 8,997,460,701 |
| 2010 | \$ 8,025,885,906 | \$ 838,645,840 | \$ 8,864,531,746 |
| 2011 | \$ 7,894,069,219 | \$ 846,704,740 | \$ 8,740,773,959 |
| 2012 | \$ 7,766,614,346 | \$ 914,057,340 | \$ 8,680,671,686 |

¹ Includes exemptions and penalties.

² Taxes are paid in arrears: current tax collections for each year are collected October 1st through mid-May. Therefore, taxes assessed as of September 30th are not collected until the following fiscal year.

Sources: Jefferson County Tax Assessor, Abstract of Assessments. Exemptions and Ad Valorem Taxes. 2003 - 2012.

Principal Ad Valorem Taxpayers

The following table sets forth the principal Ad Valorem Tax taxpayers in the County for the 2012 tax year:

Principal Ad Valorem Taxpayers—Tax Year 2012

| | <u>Company</u> | <u>Assessed Value</u> | <u>County Tax</u> |
|----|----------------------------------|-----------------------|-------------------|
| 1 | Alabama Power Company | \$ 571,223,390 | \$ 7,711,516 |
| 2 | BellSouth Telecommunications | \$ 102,624,680 | \$ 1,385,433 |
| 3 | BellSouth Telecommunications LLC | \$ 100,926,780 | \$ 1,362,512 |
| 4 | United States Steel | \$ 96,893,965 | \$ 1,308,069 |
| 5 | Norfolk Southern Combined Rail | \$ 42,968,880 | \$ 580,080 |
| 6 | American Cast Iron & Pipe Co | \$ 36,038,110 | \$ 486,514 |
| 7 | Alabama Gas Corp | \$ 35,640,670 | \$ 481,149 |
| 8 | GSA Birmingham Realty | \$ 28,487,660 | \$ 384,583 |
| 9 | Hoover Mall Limited LP | \$ 27,789,880 | \$ 375,163 |
| 10 | Regions Bank | \$ 26,522,380 | \$ 358,052 |

Source: Jefferson County Tax Assessor

Ad Valorem Tax Collections

The following table sets forth the Ad Valorem Tax collections for the fiscal years ended September 30, 2003 through September 30, 2012, collected by all tax collectors, and levied by all ad valorem taxing authorities, within the County:

Ad Valorem Tax Collections

| <u>Tax Year Ended</u> <u>September 30</u> ⁽¹⁾ | <u>Total Net Tax</u> <u>Levy</u> | <u>Current Tax</u> <u>Collections</u> | <u>Percent of</u> <u>Levy Collected</u> | <u>Delinquent</u> <u>Tax</u> <u>Collections</u> | <u>Total Tax</u> <u>Collections</u> | <u>Percent of Total</u> <u>Tax Collection</u> <u>to Tax Levy</u> |
|---|-------------------------------------|--|--|---|--|--|
| 2012 | \$ 553,608,072 | \$ 540,707,822 | 97.67% | \$ 5,961,035 | \$ 546,668,857 | 98.75% |
| 2011 | \$ 563,149,729 | \$ 539,061,625 | 95.72% | \$ 6,669,403 | \$ 545,731,028 | 96.91% |
| 2010 | \$ 571,239,380 | \$ 556,700,119 | 97.45% | \$ 4,686,256 | \$ 561,386,375 | 98.28% |
| 2009 | \$ 580,123,421 | \$ 559,724,507 | 96.48% | \$ 4,470,839 | \$ 564,195,346 | 97.25% |
| 2008 | \$ 545,472,944 | \$ 540,392,751 | 99.07% | \$ 2,377,973 | \$ 542,770,724 | 99.50% |
| 2007 | \$ 509,403,085 | \$ 501,067,572 | 98.36% | \$ 2,713,010 | \$ 503,780,582 | 98.90% |
| 2006 | \$ 469,456,560 | \$ 465,929,677 | 99.25% | \$ 3,508,788 | \$ 469,438,465 | 100.00% |
| 2005 | \$ 445,840,218 | \$ 437,722,350 | 98.18% | \$ 4,612,988 | \$ 442,335,338 | 99.21% |
| 2004 | \$ 420,329,738 | \$ 414,819,160 | 98.69% | \$ 6,331,037 | \$ 421,150,198 | 100.20% |
| 2003 | \$ 365,507,555 | \$ 361,085,704 | 98.79% | \$ 4,205,271 | \$ 365,290,975 | 99.94% |

¹ Taxes collected in each fiscal year represent the taxes levied in the prior fiscal year, as taxes are collected in arrears.

Source: Jefferson County Tax Collector

Employee Retirement Plan

Defined Benefit Pension Plan

General Overview. The County sponsors a defined benefit pension plan (the "Pension Plan") for certain employees and officers of the County. The General Retirement System for Employees of Jefferson County (the "Pension System"), which administers the Pension Plan, was established pursuant to Act No. 497 enacted at the 1965 Regular Session of the Legislature of Alabama (as amended, the "Pension Act"). With certain limited exceptions, the Pension System covers all employees of the County who are subject to the Civil Service System.

County officers and those employees not subject to the Civil Service System may elect to participate in the Pension System. Membership in the Pension System for those employees automatically covered under the Pension Act is compulsory. As of the most recent actuarial valuation of the Pension Plan (October 1, 2012) (the "2012 Pension Valuation") prepared by Cavanaugh Macdonald Consulting, LLC (the "Independent Actuary"), there were 2,511 active members in the Pension System with aggregate annual compensation of \$118,895,660, and 2,105 retired members and beneficiaries in the Pension System with aggregate annual benefits of \$51,433,500.

Pension Plan Funding. The Pension Act requires that members of the Pension System contribute 6% of their gross salary to the Pension Plan and that the County contribute an equivalent amount for each member, for a total annual contribution equal to 12% of each member's gross salary. Certain proceeds from the sale of pistol permits in the County are also contributed to the Pension Plan. The following is a summary of actuarial assumptions and a schedule of trend information pertaining to funding of the Pension Plan, taken from the 2012 Pension Valuation:

| | |
|-------------------------------|-----------------------------|
| Valuation date | 10/01/2012 |
| Actuarial cost method | Entry age |
| Amortization method | Level percent open |
| Remaining amortization period | 5 years |
| Asset valuation method | 5-year market related value |
| Actuarial assumptions | |
| Investment rate of return* | 7.00% |
| Projected salary increases* | 4.25 – 7.25% |
| Cost-of-living adjustments | None |

* Includes inflation at 3.25%

Trend Information

| Fiscal Year Ending | Annual Pension Cost (APC) | Percentage Of APC Contributed | Net Pension Obligation (NPO) |
|--------------------|---------------------------|-------------------------------|------------------------------|
| 9/30/2010 | \$9,296,884 | 100.0% | \$0 |
| 9/30/2011 | 8,922,991 | 100.0 | 0 |
| 9/30/2012 | 7,743,653 | 100.0 | 0 |

Fiscal Summary. As of the 2012 Pension Valuation, the unfunded actuarial accrued liability ("UAAL") for the Pension Plan was \$(17,270,570) (i.e., actuarial plan assets exceed actuarial plan liabilities). The following is a schedule of funding progress and trend information pertaining to the Pension Plan:

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a) / c) |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 10/1/2007 | \$948,748,013 | \$834,715,438 | \$(114,032,575) | 113.7% | \$158,672,539 | (71.9)% |
| 10/1/2008 | 975,858,994 | 875,694,849 | (100,164,145) | 111.4 | 163,181,657 | (61.4) |
| 10/1/2009 | 973,523,115 | 909,778,906 | (63,744,209) | 107.0 | 158,254,172 | (40.3) |
| 10/1/2010 ¹ | 965,689,832 | 885,063,115 | (80,626,717) | 109.1 | 152,923,480 | (52.7) |
| 10/1/2011 | 949,368,266 | 899,515,895 | (49,852,371) | 105.5 | 138,971,377 | (35.9) |
| 10/1/2012 | 931,092,938 | 913,822,368 | (17,270,570) | 101.9 | 118,895,660 | (14.5) |

¹ Reflects changes in actuarial assumptions.

In the 2012 Pension Valuation, the Independent Actuary concluded that the Pension Plan was operating on an actuarially sound basis and that the sufficiency of the assets in the Pension Plan may be safely anticipated. See Note M to the County's audited financial statements, and the associated notes to such financial statements, as of and for the fiscal year ended September 30, 2012, attached as Appendix K hereto, for more information about the Pension Plan.

Other Post-Employment Benefits (OPEB)

General Overview. In addition to the Pension Plan, the County sponsors a single-employer postretirement welfare benefit plan (the "OPEB Plan") in accordance with a resolution first approved by the Commission on September 25, 1990, and approved annually each year thereafter. The OPEB Plan provides medical and prescription drug benefits to eligible retirees and their dependents by subsidizing a portion of the retirees' health insurance premiums. As of the most recent actuarial valuation of the OPEB Plan (September 30, 2011) (the "2011 OPEB Valuation") prepared by the Independent Actuary, there were 3,089 active participants, 37 vested terminated participants and 542 retired participants in the OPEB Plan.

OPEB Plan Funding. Unlike the Pension Plan, the County does not set aside assets in a qualifying trust fund for the purpose of paying future benefits. The County operates the OPEB Plan on a "pay-as-you-go" basis. Employees of the County and retirees and their dependents are not required to contribute to the OPEB Plan. The following is a summary of the actuarial assumptions and a schedule of trend information pertaining to funding of the OPEB Plan, taken from the 2011 OPEB Valuation:

| | |
|-------------------------------|----------------------------|
| Valuation date | 09/30/2011 |
| Actuarial cost method | Projected unit credit |
| Amortization method | Level percent of pay, open |
| Remaining amortization period | 30 years |
| Asset valuation method | Market Value of Assets |
| Actuarial assumptions | |
| Investment rate of return* | 4.00% |
| Medical cost trend rate** | 10.50% |
| Ultimate trend rate** | 5.00% |
| Year of Ultimate trend rate | 2018 |

* Includes inflation at 3.25%
 ** Pre-Medicare; includes inflation at 3.25%

(In Thousands)

| Actuarial Valuation Date | Fiscal Year Ended | Annual Required Contribution (a) | Interest on Existing NOO* (b) | Adjustment to ARC (c) | Annual OPEB Cost (a+b+c=d) | Annual Contribution Amount (e) | Percentage of OPEB Cost Contributed (e/d) | Net Increase (Decrease) in NOO (d-e=f) | NOO at Beginning of Year (g) | NOO at End of Year (f+g) |
|--------------------------|-------------------|----------------------------------|-------------------------------|-----------------------|----------------------------|--------------------------------|---|--|------------------------------|--------------------------|
| 09/30/11 | 09/30/12 | \$6,419 | \$214 | \$(198) | \$6,435 | \$3,430 | 53.3% | \$3,005 | \$5,358 | \$8,363 |
| 09/30/10 | 09/30/11 | 7,436 | 102 | (94) | 7,444 | 4,640 | 62.3 | 2,804 | 2,554 | 5,358 |
| 09/30/10 | 09/30/10 | 7,436 | 26 | (24) | 7,438 | 5,523 | 74.3 | 1,915 | 639 | 2,554 |
| 09/30/08 | 09/30/09 | 5,038 | (1) | 1 | 5,038 | 4,371 | 86.8 | 667 | (28) | 639 |
| 09/30/08 | 09/30/08 | 5,038 | - | - | 5,038 | 5,066 | 100.6 | (28) | - | (28) |

* NOO = Net OPEB Obligation

Fiscal Summary. As of the 2011 OPEB Valuation, the net OPEB obligation for the OPEB Plan, as shown on the County's Statement of Net Assets for the fiscal year ended September 30, 2012, included in the County's audited financial statements attached as Appendix K hereto, was \$8,363,000, and the unfunded actuarial accrued liability for the OPEB Plan was \$80,162,622. The following is a schedule of funding progress respecting the OPEB Plan:

Schedule of Funding Progress

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Liability (AAL) Entry Age (b) ¹ | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll ((b-a) / c) |
|--------------------------|-------------------------------|--|---------------------------|--------------------|---------------------|---|
| 09/30/2010 | \$0 | \$90,808,661 | \$90,808,661 | 0.0% | \$152,923,480 | 59.4% |
| 09/30/2011 | 0 | 80,162,622 | 80,162,622 | 0.0 | 118,896,000 | 67.4 |

In the 2011 OPEB Valuation, the Independent Actuary concluded that if the required contributions to the OPEB Plan are made by the County from year to year in the future at the levels required on the basis of successive actuarial valuations, the OPEB Plan will operate in an actuarially sound manner. See Note N to the County's audited financial statements as of and for the fiscal year ended September 30, 2012, attached as Appendix K hereto, for more information about the OPEB Plan.

New Accounting Pronouncements. In June 2012, the Governmental Accounting Standards Board (GASB) issued Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68, *Accounting and Financial Reporting for Pensions* (the "GASB Statements"), which are effective for the County beginning with its fiscal year ending September 30, 2015. See Note T to the County's audited financial statements as of and for the fiscal year ended September 30, 2012, attached as Appendix K hereto, for more information regarding the GASB Statements and the effect implementation thereof may have on the County's fiscal condition.

Treatment of Pension System and OPEB Plan Obligations under the Plan of Adjustment

The Plan of Adjustment provides that all claims of the OPEB Plan and all claims of the Pension System will not be impaired. Accordingly, the legal, equitable, and contractual holders of these claims will be unaltered by the Confirmed Plan of Adjustment, and the Confirmed Plan of Adjustment will leave unaltered the legal, equitable, and contract rights of all persons with respect to such claims. Without limitation, the County will retain all causes of action, defenses, deductions, assessments, setoffs, recoupment, and other rights under applicable nonbankruptcy law with respect to such claims.

Debt Management

General

The principal forms of indebtedness that the County is authorized to incur include general obligation bonds, general obligation warrants, general obligation bond anticipation notes, special or limited obligation warrants and various revenue anticipation bonds and warrants relating to enterprises. In addition, the County has the power to enter into certain leases which constitute a charge upon the general credit of the County. Under existing law, the County may issue general obligation bonds only after a favorable vote of the electorate of the County. General and special obligation warrants issued for certain specified purposes may be issued without voter approval. The Warrants will not constitute general obligations of or a charge against the general credit or taxing power of the County but instead are limited obligations of the County payable solely out of the Trust Estate.

Limited Tax and Revenue Bonds and Warrants

As of the date of issuance and delivery of the Warrants, the County will have outstanding not in excess of \$726,115,000 school warrants payable out of a one-cent sales tax defined in Appendix G to the Official Statement as the "Education Tax." The County is also obligated to make lease payments for use of a courthouse in the City of Bessemer, Alabama, that are pledged for payment of the Lease Revenue Warrants, Series 2006, of the Jefferson County Public Building Authority (the "Bessemer Courthouse Warrants"). As of their date of issuance, the Warrants will be the only outstanding County warrants or bonds payable solely out of revenues from County-owned utilities, including, without limitation, the System.

Projected Annual Debt Service Requirements for all County Warrants

The following table reflects the estimated annual debt service requirements respecting all warrants of the County following the issuance of the Warrants:

| Fiscal Year | Outstanding General Obligation Warrants ⁽¹⁾ | | | The Warrants | Outstanding School Warrants ⁽⁴⁾ | | Bessemer Courthouse Warrants ⁽⁵⁾ | Total Debt Service* |
|-------------|--|-------------|-------------------------------|-----------------------------------|--|--------------|---|---------------------|
| | Principal | Interest | Reimbursements ⁽²⁾ | Total Debt Service ⁽³⁾ | Principal | Interest | County Rental Payments | |
| 2014 | \$14,175,000 | \$4,778,154 | \$3,383,047 | \$59,759,720 | \$41,945,000 | \$32,437,558 | \$3,250,000 | \$159,728,479 |
| 2015 | 14,915,000 | 8,878,738 | 2,965,000 | 74,407,950 | 43,905,000 | 32,182,748 | 4,500,000 | 181,754,436 |
| 2016 | 15,555,000 | 8,163,755 | 0 | 79,347,200 | 45,940,000 | 31,225,058 | 4,868,092 | 185,099,105 |
| 2017 | 16,225,000 | 7,416,180 | 0 | 84,638,950 | 48,115,000 | 30,276,294 | 5,020,220 | 191,691,644 |
| 2018 | 16,950,000 | 6,614,638 | 0 | 84,362,950 | 50,330,000 | 27,657,738 | 5,172,348 | 191,087,674 |
| 2019 | 17,690,000 | 5,780,508 | 0 | 70,408,450 | 52,740,000 | 24,916,650 | 5,172,348 | 176,707,956 |
| 2020 | 18,450,000 | 4,928,450 | 0 | 70,408,450 | 55,200,000 | 22,046,538 | 5,172,348 | 176,205,786 |
| 2021 | 19,270,000 | 4,020,525 | 0 | 79,113,450 | 57,815,000 | 18,989,000 | 5,172,348 | 184,380,323 |
| 2022 | 19,490,000 | 3,072,250 | 0 | 80,914,675 | 60,650,000 | 15,731,213 | 5,172,348 | 185,030,486 |
| 2023 | 20,465,000 | 2,097,750 | 0 | 84,165,500 | 63,610,000 | 12,373,075 | 5,172,348 | 187,883,673 |
| 2024 | 21,490,000 | 1,074,500 | 0 | 141,131,616 | 66,640,000 | 8,974,438 | 5,172,348 | 244,482,902 |
| 2025 | 0 | 0 | 2,854,322 | 145,831,616 | 69,675,000 | 5,545,656 | 5,020,220 | 228,926,814 |
| 2026 | 0 | 0 | 2,854,322 | 150,731,616 | 53,330,000 | 2,358,675 | 4,868,092 | 214,142,705 |
| 2027 | 0 | 0 | 2,854,322 | 155,806,616 | 16,220,000 | 446,050 | 4,598,330 | 179,925,318 |
| 2028 | | | | 161,081,616 | | | 4,598,330 | 165,679,946 |
| 2029 | | | | 166,471,616 | | | 4,598,330 | 171,069,946 |
| 2030 | | | | 172,061,616 | | | 4,598,330 | 176,659,946 |
| 2031 | | | | 177,846,616 | | | 4,598,330 | 182,444,946 |
| 2032 | | | | 183,831,616 | | | 4,598,330 | 188,429,946 |
| 2033 | | | | 190,006,616 | | | 4,598,330 | 194,604,946 |
| 2034 | | | | 196,386,616 | | | 4,598,330 | 200,984,946 |
| 2035 | | | | 202,986,616 | | | 4,598,330 | 207,584,946 |
| 2036 | | | | 209,841,616 | | | 4,598,330 | 214,439,946 |
| 2037 | | | | 216,927,724 | | | 4,598,330 | 221,526,054 |
| 2038 | | | | 224,290,264 | | | | 224,290,264 |
| 2039 | | | | 231,853,108 | | | | 231,853,108 |
| 2040 | | | | 239,721,642 | | | | 239,721,642 |
| 2041 | | | | 233,082,761 | | | | 233,082,761 |
| 2042 | | | | 169,394,557 | | | | 169,394,557 |
| 2043 | | | | 175,721,597 | | | | 175,721,597 |
| 2044 | | | | 182,279,614 | | | | 182,279,614 |
| 2045 | | | | 189,044,116 | | | | 189,044,116 |
| 2046 | | | | 196,052,373 | | | | 196,052,373 |
| 2047 | | | | 203,386,298 | | | | 203,386,298 |
| 2048 | | | | 210,954,314 | | | | 210,954,314 |
| 2049 | | | | 218,848,412 | | | | 218,848,412 |
| 2050 | | | | 226,956,575 | | | | 226,956,575 |
| 2051 | | | | 235,437,194 | | | | 235,437,194 |
| 2052 | | | | 244,234,800 | | | | 244,234,800 |
| 2053 | | | | 253,929,263 | | | | 253,929,263 |

¹ The portion of the General Obligation Warrant debt service allocable to the Series 2013 General Obligation Warrants to be issued in exchange for the Series 2001-B General Obligation Warrants is calculated in accordance with the Plan Support Agreement dated as of May 13, 2013, by and among the County, Bayerische Landesbank, New York Branch, JPMorgan Chase Bank, and the indenture trustee for the Series 2001-B General Obligation Warrants. See Appendix H for a discussion of the Plan Support Agreement related to the Series 2001-B General Obligation Warrants.

² Reimbursement of certain amounts owed by the County pursuant to the Plan Support Agreement dated as of June 27, 2013, by and among the County and National Public Finance Guarantee Corporation, together with and as reinsurer of and administrator for MBIA Insurance Corporation.

³ Based on estimated combined True Interest Cost of 6.9%.

⁴ Assumes the indenture trustee for the Series 2005-A School Warrants previously credited approximately \$57 million of excess sales tax revenues to the principal amount outstanding of such Warrants, resulting in the early redemption of (i) the full amount of the January 1, 2027 scheduled mandatory redemption and (ii) a portion of the January 1, 2026 scheduled mandatory redemption. Assumes the indenture trustee for the Series 2005-B School Warrants previously credited approximately \$21 million of excess sales tax revenues to the principal amount outstanding of such Warrants, resulting in the early redemption of a portion of the January 1, 2027 scheduled mandatory redemption. No additional excess sales tax proceeds mandatory redemptions are assumed in 2014 or thereafter. Interest on the auction rate Series 2005-A School Warrants assumes periodic rate resets will continue to be calculated by multiplying the applicable percentage of 275% by the applicable one month LIBOR rates, which are assumed to increase from 0.19% in January 2014 to a maximum of 2.00% by January 2017. Interest on the variable rate Series 2005-B School Warrants is based on a rate of 5.50% pursuant to the Plan Support Agreement dated as of February 11, 2013, by and between the County and Depfa Bank PLC.

⁵ Amounts shown are the County's revised lease rental payment obligations calculated pursuant to the New Bessemer Lease. See Appendix H for a discussion of the New Bessemer Lease.

County Financial Policies

General. The Commission adopted a comprehensive set of fiscal policies (collectively, the "Fiscal Policies") on September 28, 2011. The following information reflects certain elements of those of the Fiscal Policies presently in place, and recent actions of the Commission pursuant to the guidelines set forth in such Fiscal Policies.

The County's fiscal year begins October 1 and ends on September 30. The main sources of income for the County are property taxes, sales taxes, licenses and permits and intergovernmental revenues. In addition to governmental revenues, the County also generates income for its enterprise funds through collection of rates and charges for related services. As described under sections of this document relating to the County's bankruptcy, the Occupational Tax, which had been a major contributor to revenues, has been invalidated, and is therefore not addressed in this discussion.

The County Manager and the Chief Financial Officer bear primary responsibility for the major financial functions of the County. The County Manager reports directly to the Commission.

The Chief Financial Officer ("CFO") is the County's fiscal and chief accounting officer. The duties associated with this role include the preparation and maintenance of accurate books and records, the custody and supervision of County funds, the preparation of annual budgets, management of County debt obligations, and the management of the investment of County money. The CFO also recommends financial policies to the County Manager and implements policies as set by the Manager.

The County Tax Assessor and the Tax Collector are elected officials in charge of the assessment, levying, collection and distribution of ad valorem taxes within the County. The Treasurer is also an elected official, whose primary responsibilities include managing the receipt of funds into various bank accounts, reconciling and reporting on monthly funds, and managing the investment of funds which the Treasurer's department oversees. The Treasurer is also by state law the treasurer of the Pension System.

Budgeting and Audited Financial Statements. The CFO is responsible for the preparation of the annual budgets of the County. Budgets for governmental funds are prepared on the modified accrual basis. The modified accrual basis means that County obligations are recognized as expenditures but revenues are only recognized when they become measurable and available. The budgets of proprietary funds are prepared on the accrual basis of accounting. Budgets may be adjusted during the fiscal year when approved by the Commission, but changes to the budget must be within the revenues and reserves estimated to be available.

The County provides audited financial statements on an annual basis. The firm of Warren Averett, LLC has performed audits of the County's financial statements since fiscal year 2007. The audited financial statements of the County provide certain unaudited comparisons of revenue and expenditures on a GAAP basis to the budget.

The County's Budget Management Office ("BMO") currently utilizes SAP software to prepare its budgets. The SAP software is linked to various County software packages which feed key financial information into it. The County Treasurer has separate software which requires confirmation prior to acceptance of revenue input.

Expenditure Policies. The County has implemented a performance-based budgeting system with special emphasis on labor costs. The Critical Needs Committee is staffed by the County Manager, the CFO, the Human Resources Director and the Budget Director. All job requests are reviewed by the Critical Needs Committee, and approved job requests are presented to the Commission for its approval. Only after securing the Commission's approval, and only after proceeding through the receiver appointed pursuant to the Employment Discrimination Order, may job interviews begin.

Over the last two years, the Commission, County Manager and the CFO have made significant progress in paring back activities requiring subsidies from the General Fund. During that time, the nursing home

was sold, future costs associated with laundry operations were reduced, and Cooper Green Hospital was converted from an inpatient hospital to an urgent care facility and clinic.

The County recently completed a five-year capital plan focusing on infrastructure, information technology and property plant and equipment. Funding for the first year of the capital plan has been identified. The Bridge and Public Building Fund annual revenues will be sufficient to support years 2 thru 5 of the non Environmental Services Department capital budget.

Debt Issuance. The County has not issued any general obligation debt since 2004. The Bessemer Courthouse was financed through the Public Building Authority in 2006 and the County is obligated, on an annual appropriation basis, for that debt through a lease of the building. Other than the lease obligation associated with the Bessemer Courthouse, the County has been on a "pay-as-you-go" basis since 2004 for capital maintenance.

The Commission does not plan to access the debt market for General Fund needs unless there is a compelling need to do so and if access to the capital market can be made at reasonable interest rates.

Investment Monitoring and Management. The County has several types of investment funds including revenue funds, bond proceeds funds, capital funds, and pension funds. Generally, State statutes authorize the County to invest in obligations of the U.S. Treasury and securities of federal agencies and certificates of deposit. Investments are reported at fair value based on quoted prices except for money market investments and repurchase agreements, which are reported at amortized cost. The primary objective of the investment program is safety.

The County has a designated Investment Committee to monitor investment decisions made by or on behalf of the County. The Investment Committee consists of the County Finance Committee Chairman, the County Manager, the County Treasurer, the Tax Collector (Birmingham), the Tax Collector (Bessemer), and the Revenue Director. The Commission makes decisions based on recommendations from the Investment Committee.

The Commission maintains an investment policy which manages its exposure to market movements by limiting the average maturity of its investment portfolio to between 2 and 2.5 years.

The Commission has set strict limits on the types of derivatives and illiquid investments allowable for use in its investment program. Generally, derivatives are to be avoided, and a list of prohibited investments may be found in the Fiscal Policies.

Pension funds are administered by the Pension System, which covers substantially all of the County's employees and was established by Alabama law in 1965. The Commission does not manage funds in the Pension System. See "Employee Retirement Plan" above.

Economic Development. The Commission is keenly interested in developing the economic base of the County, and it has a policy of employing incentives to encourage economic growth. However, incentives are limited to enterprises that enhance the employment base or assessed valuation of the County, increase the infrastructure of the County, or increase access to other public services. The Commission makes decisions regarding economic development based on recommendations from the Economic Development Committee and a finding thereby that the project for which the incentive is being made constitutes a good and sufficient public purpose for the expenditure of public funds. In addition, funding for incentives must be identified in advance of approval.

Pension and Retirement Funding. Annual required contributions for current pension liabilities are to be funded on an annual basis. The County also provides certain other-than-pension post-employment benefits ("OPEB") for qualified retired employees. The County's goal with regard to OPEBs is to maintain and manage a non-fiduciary OPEB fund that will be funded periodically with such allocations as are approved by the Commission until the balance of the OPEB fund is equal to its OPEB liability. Net OPEB obligation for the fiscal year ended September 30, 2012, was \$8,362,841. The actuarial valuation of the Pension System was funded at 101.9% as of the September 30, 2012 actuarial valuation.

APPENDIX H

JEFFERSON COUNTY BANKRUPTCY

Events Leading to Filing of Bankruptcy Case

The County faced several financial problems that precipitated the filing of the Bankruptcy Case, the most significant of which are discussed herein.

Loss of Occupational Tax

In 1967, the Alabama Legislature passed an act (the "1967 Act") authorizing the County to collect an occupational tax on earnings of workers employed in the County (the "Occupational Tax"), as well as a business license fee. The County relied on the Occupational Tax as its primary source of unrestricted General Fund revenues for decades.

The Occupational Tax was the subject of nearly continuous litigation beginning in 1987. While the Occupational Tax survived all legal challenges, including two trips to the Supreme Court of the United States, it was ultimately repealed by the Alabama Legislature.

In 1999, the Alabama Legislature passed Act 99-669 (the "1999 Act"), which repealed the 1967 Act but permitted the County to approve a new version of the Occupational Tax. The new version of the Occupational Tax, however, contained earmarks whereby certain revenues from the tax had to be used for certain designated purposes. The County refused to approve the new version with its earmarks. In March 2000, the Circuit Court of Jefferson County declared in a lawsuit brought by the Jefferson County Employees' Association (the "JCEA Case") that the 1999 Act did not receive enough favorable votes in the Alabama Legislature to become law. The trial court declared the 1999 Act to be unconstitutional and void. No appeal followed the trial court's decision in the JCEA Case.

In 2000, the Alabama Legislature attempted again to repeal the 1967 Act with Act 2000-215 (the "2000 Act"). The 2000 Act purported to, among other things: repeal the 1967 Act; impose a new occupational tax with no exemptions; and earmark nearly one-third of the money collected under the new occupational tax to one state agency and nearly one hundred non-state agencies. In subsequent litigation, the Alabama Supreme Court affirmed the trial court's ruling that the 2000 Act was void because it violated Section 106 of the Alabama Constitution.

In May 2005, the Alabama Supreme Court, in an unrelated case, (the "BJCCA Case"), ruled that the judicial branch of state government lacks jurisdiction to interpret and enforce provisions of the state constitution that apply to the legislative branch of state government. The Court in the BJCCA Case further held that the courts of Alabama lack jurisdiction to determine whether a bill received the requisite number of favorable votes to become law.

In 2007, certain taxpayers filed a lawsuit (the "Edwards Lawsuit") attacking the Occupational Tax based on the ruling in the BJCCA Case. In the Edwards Lawsuit, the plaintiffs sought to apply the precedent set in the BJCCA Case retroactively to the Alabama Legislature's approval of the 1999 Act. The trial court ruled that: (a) based on the Alabama Supreme Court's opinion in the BJCCA Case, the trial court in the JCEA Case lacked jurisdiction to invalidate the 1999 Act; (b) the 1999 Act was valid; (c) the 1967 Act had been repealed by the 1999 Act; and (d) the County had been collecting the Occupational Tax without express statutory authority since the effective date of the 1999 Act.

The trial court in the Edwards Lawsuit stayed its judgment to afford the Alabama Legislature an opportunity to reinstate the Occupational Tax. The trial court also permitted the County to collect the Occupational Tax, but required the County to place the collected taxes into an escrow account. The Alabama Legislature did not pass legislation to revive the Occupational Tax during the regular session, and the stay expired.

The determination by the trial court in the Edwards Lawsuit on January 2, 2009, ultimately confirmed by the Alabama Supreme Court later that year, meant that the County could no longer (after expiration of the stays the trial court issued in the case) lawfully levy its occupational and business license taxes under the 1967 Act. Seeking to protect these major sources of General Fund revenue even prior to the ultimate resolution of the Edwards Lawsuit, the County undertook to secure legislative relief from the Alabama Legislature at its Regular Session held in the spring of 2009, backing the introduction and advocating passage of bills intended to revive the County's power to levy and collect the Occupational Tax and its business license taxes, through either "repeal of the repeal" undertaken by the Alabama Legislature in 1999 or through a fresh authorization of the County's power to levy those taxes.

The County's efforts to accomplish these goals and thereby revive its authority to levy occupational and business license taxes were complicated and ultimately frustrated in the 2009 Regular Session by the inability of legislators representing the County to agree upon the form and substance of the legislation needed to reauthorize the occupational and business license taxes or to provide other revenues for the General Fund. This lack of agreement was amplified by attempts of individual legislators to amend the several bills under consideration that would have authorized new occupational and business license taxes for the County so as to alter the applicability, extent or duration of any new taxing authorization, to limit the rates or the tax bases of any new taxes and to provide for new or additional exemptions therefrom, to specify the use of the proceeds from the taxes to be authorized for particular objects of expenditure other than the County's General Fund, to place conditions on the levy of any new taxes intended to benefit the General Fund considered by the County to be onerous or unhelpful (such as requiring the continued maintenance of particular specified County services without reference to costs), to include a provision for the "sunset" of the tax authorization after a relatively short specified period of time, and to make either the initial authorization, or the continuance of the levies of the authorized taxes beyond a certain date, subject to popular referendum by the voters of the County. During the 2009 Regular Session, the County opposed most of these various proposed conditions and provisions primarily because they would have either significantly delayed receipt of any new tax revenues benefitting the General Fund or severely limited the amounts expected to be derived from the taxes. Upon final adjournment of the 2009 Regular Session, the County had nothing to show for its efforts to revive the 1967 Act's authorization to levy occupational and business license taxes.

In light of this emergency, then-Governor Bob Riley called a Special Session of the Alabama Legislature to enact a new statute authorizing future collection of the Occupational Tax and ratifying, validating and confirming the collection of Occupational Tax after the effective date of the 1999 Act. The Alabama Legislature enacted Act 2009-811 (the "2009 Act"), which, among other things, repealed the 1999 Act, revived the 1967 Act, and provided separate and additional authority to the County to levy the Occupational Tax and business license fees both retroactively and prospectively. Although the 2009 Act contained several provisions that the County considered undesirable and unhelpful in terms of accomplishing a lasting and effective solution to remedying the financial inadequacy of the County's General Fund to meet County needs (for instance, the new Occupational Tax was required to be levied beginning in 2010 at a rate not in excess of a rate 10% lower than that at which the old Occupational Tax had been levied, the new business license taxes were required to be computed differently from the pre-existing taxes rendering the revenue effect of those taxes uncertain, and the new Occupational Tax was required to be phased out conditionally beginning as soon as 2012, unless the results of a referendum to be held in the County during June 2012 were to the contrary), the County nevertheless in good faith took the formal actions necessary to utilize its new legislative authorization to levy by appropriate ordinances the Occupational Tax and the new business license taxes in the expectation that collections from these new taxes would provide the County with some financial breathing room and at least a partial replenishment of the General Fund. Although the new levies would not, owing to changes in the rates or method of computing thereof, be expected to restore the County's General Fund to the financial position it enjoyed prior to the Alabama Legislature's repeal of the County's power to levy the former occupational and business license taxes, nevertheless the authorization contained in the 2009 Act was viewed by the County as of significant help, and tax revenues from the newly authorized taxes began to flow for the benefit of the General Fund.

In August 2009, the Alabama Supreme Court affirmed the trial court's decision in the Edwards Lawsuit. The Alabama Supreme Court recognized, however, that by virtue of the 2009 Act, the County had a valid claim to the amounts taxed from the time of the trial court's ruling to the effective date of the 2009 Act. During that time, the County deposited approximately \$37.7 million in escrow. The Alabama Supreme Court held that the County could not retrieve such funds from the escrow fund.

To avoid the difficulties associated with collecting the Occupational Tax a second time, the County and the named plaintiffs in the Edwards Lawsuit reached and obtained court approval of a settlement of the plaintiffs' claims. Under the terms of that settlement, \$30 million of escrowed funds would be made available to refund to taxpayers and to pay the attorney fees of class counsel. Additionally, \$1.10 million of escrowed funds would be made available to pay the costs of providing notice to the class. The remaining escrowed amounts were to be returned to the County.

The 2009 Act was challenged in a class action lawsuit brought by certain taxpayers against the County (the "Weissman Lawsuit"). In the Weissman Lawsuit, Judge Charles Price ruled that the Alabama Legislature failed to comply with the publication requirement of Section 106 of the Alabama Constitution when enacting the 2009 Act. Judge Price concluded that the 2009 Act was unconstitutional and void. Judge Price's judgment became final on December 1, 2010, but it did not require that the County refund the Occupational Tax collected between the effective date of the 2009 Act (August 14, 2009) and the date of final judgment (December 1, 2010).

Both the County and the plaintiffs appealed Judge Price's ruling to the Alabama Supreme Court. The County challenged Judge Price's ruling that the 2009 Act was unconstitutional and void. The plaintiffs challenged Judge Price's determination that his ruling would not be given retroactive effect. The County continued to collect the Occupational Tax pending the appeal, which such collections being deposited into an escrow fund.

The Alabama Supreme Court bifurcated the issues on appeal. On March 16, 2011, the Alabama Supreme Court upheld Judge Price's ruling that the 2009 Act was unconstitutional and void. Consequently, all escrowed funds were released to the plaintiffs. As of the Filing Date, the Alabama Supreme Court had not ruled on whether the County was obligated to refund approximately \$100 million in Occupational Tax collected pursuant to the 2009 Act from its effective date (August 14, 2009) through the date of Judge Price's order (December 1, 2010), an amount in excess of the County's cash reserves in its General Fund as of the Filing Date.

Following the court rulings in the Weissman Lawsuit, the County made a concerted effort to persuade the Alabama Legislature to pass legislation during its regular 2011 session to remedy the County's revenue problems caused by the loss of the Occupational Tax. The first option was to pass "limited home rule" legislation that would grant the County limited authority to raise tax revenue without specific state legislative approval. The second option was to pass "un-earmarking" legislation that removed certain restrictions on the County's use of tax revenues, which would have improved the County's ability to adapt to changing economic circumstances by allowing the County to allocate funds where needed.

The "home rule" legislation was approved in the Alabama House of Representatives and enjoyed the support of a majority of the County's delegation in the Alabama Senate. However, under state legislative procedures related to bills affecting local issues, one State Senator blocked a vote on the legislation in the Alabama Senate, effectively killing the "home rule" bill. Likewise, the "un-earmarking" legislation faced opposition from state legislators intent on preserving earmarks for certain County functions. As a result, the regular 2011 legislative session concluded without a legislative fix for the loss of Occupational Tax revenues.

Following the loss of the Occupational Tax, the County has been utilizing and has essentially exhausted all of its existing Constitutional and legislatively-authorized taxing powers. For instance, the County's ability to increase *ad valorem* property taxes for the benefit of the General Fund is constrained by Section 215 of the Alabama Constitution, which limits the rate of property tax for county general fund purposes to 5 mills per dollar of assessed value of taxable property, subject to adjustment only (a) with approval by act of the Alabama Legislature and by the County's voters under procedures set forth in Amendment No. 373 to the Alabama Constitution, or (b) through the ratification of Constitutional amendments proposed by the Alabama Legislature and applicable only to the County authorizing new or increased rates of *ad valorem* taxation. While actions previously taken by the County as permitted under Amendment No. 373 presently authorize the levy in the County of *ad valorem* property taxes for the benefit of the General Fund at the total rate of 5.6 mills per dollar of assessed property value (and for other earmarked non-General Fund purposes at the rate of 7.9 mills per dollar of assessed value), the County presently possesses no unutilized Constitutional or voter-authorized authority to levy *ad valorem* taxes in addition to, or to increase the rates of any of, the property taxes now being levied by the County, whether for the benefit of the General Fund or otherwise.

In respect of other types of County-levied taxes, such as the Occupational Tax formerly levied by the County and the business license taxes, transient occupancy taxes, sales, use, and other excise taxes presently levied by the County, the County is restricted in its ability to levy and to raise the rates of those taxes by the terms and conditions of the specific legislative acts providing authorizations therefor, some of which acts are applicable to all counties in the State pursuant to general laws enacted by the Alabama Legislature and others of which are made applicable specifically to the County through the enactment by the Alabama Legislature of "local laws" relating only to the County.

Between 2000 and 2009, the Occupational Tax provided roughly \$600 million to the County and provided over 40% of the funding for the County's general administration and the Sheriff's department.

For fiscal year 2010, revenues from the Occupational Tax and business license fees totaled approximately \$75.7 million, accounting for roughly 48% of recurring unrestricted revenues in the County's General Fund.

By contrast, for fiscal year 2011 – the year in which the County lost the Occupational Tax – the County collected only \$15.3 million in Occupational Taxes from the beginning of the 2011 fiscal year through December 1, 2010 – the date that a judgment invalidating the tax became final, accounting for less than 15% of recurring unrestricted revenues in the County's General Fund.

For fiscal years 2012 and 2013, the County collected no Occupational Taxes. As discussed in the Section entitled "Litigation During the County's Bankruptcy Case - The Weissman Litigation" below, since the Filing Date, the County has resolved all litigation arising out of the Occupational Tax. In addition, as discussed in the Section titled "Other Material Events During the Bankruptcy Case - Adoption of the Fiscal Year 2012-2013 Budget" below, through a series of cost-cutting measures, the County has adopted balanced budgets for the fiscal years ending September 30, 2013, September 30, 2012, and September 30, 2011, notwithstanding the loss of the Occupational Tax.

System Debt Crisis

EPA Consent Decree. The County entered into the EPA Consent Decree with the Environmental Protection Agency on December 9, 1996, following a federal court determination that the County was in violation of the discharge permits issued for the System. The County's financial distress related to the System can be traced back to the entry of the EPA Consent Decree, which imposed burdensome requirements on the County, both with respect to the scope of the work to be done and the timetable for performing such tasks. While initial projections of the cost of implementation ranged between \$250 million and \$1.2 billion, the costs ultimately ended up being far higher than anticipated. Under the EPA Consent Decree, the County assumed responsibility for a consolidated sewer system serving twenty-one municipalities, whose sewer lines generally were in far worse condition than the parties to the EPA Consent Decree anticipated. Contracting inefficiencies, certain engineering decisions and the corruption of certain contractors and public officials contributed to the increased cost of the System. As a result of these and other factors, the overall debt associated with the improvements to the System and related financing exceeded \$3.1 billion in principal as of the Filing Date.

Debt Structure. The money needed to pay for required improvements to the System was borrowed by the County through the issuance of several series of limited obligation warrants payable from net revenues of the System ("Sewer Warrants"), beginning with more than \$600 million in 1997. The County borrowed another \$953 million in 1999 and \$1.4 billion in 2001-2002. Furthermore, in connection with these borrowings, the County entered into several refinancing transactions that caused the County's debt structure to become more reliant on variable rate debt with variable rate to fixed swap contracts. Of the series of Sewer Warrants issued in 2002 and 2003 that were outstanding on the Filing Date, nearly 95% were issued as either variable rate demand warrants or auction rate warrants. The County's variable rate demand warrants set forth the timing and terms and conditions upon which the rate of interest would adjust. For some of the County's variable rate demand warrants, the rate of interest was to adjust daily. For others, the rate of interest was to adjust weekly. The County's auction rate warrants provided that such warrants were to be sold by "Dutch auction" on a set schedule (generally every week or every five weeks), with the auction process to determine the interest rate for the warrants until the next auction. If an

auction failed, the holders of the warrants would become entitled to a penalty rate of interest to compensate the holders for their inability to sell.

The variable rate demand Sewer Warrants and auction rate Sewer Warrants often were credit-enhanced by standby warrant purchase agreements, bond insurance or both. Pursuant to the standby warrant purchase agreements, certain financial institutions agreed to purchase such variable rate demand warrants from the original warrant holders under certain conditions. Additionally, the Sewer Warrant insurers issued policies insuring the payment of regularly scheduled principal and interest due on the insured Sewer Warrants. The County also entered into swap agreements to create a "synthetic" fixed interest rate with respect to the variable rate and auction rate Sewer Warrants (the "Sewer Swap Agreements"). For a period, payments to the County from the counterparties to the Sewer Swap Agreements were sufficient to cover the interest rates as reset under the variable rate demand Sewer Warrants and auction rate Sewer Warrants, achieving the desired "synthetic" fixed interest rate the County sought. Later, that did not prove to be the case.

Triggering Events Related to System Debt Crisis. Until February 2008, the County paid all principal and interest on the Sewer Warrants as and when due. However, a series of unexpected events in the financial markets caused the County's obligations under the Sewer Warrants to mature on an expedited basis and to increase markedly.

In 2008, the underlying credit ratings of the County's sewer revenue warrants were downgraded, as were the credit ratings of two of the Sewer Warrant insurers. Many holders of the County's variable rate demand Sewer Warrants tendered their warrants for immediate payment, causing the maturity date of a substantial amount of the County's Sewer Warrants to be reduced from forty years to four years. Auctions for the County's auction-rate Sewer Warrants also failed for lack of bidders, requiring the County to pay higher interest rates. The County was also called upon either to fund the debt service reserve fund for the Sewer Warrants with cash or to replace the debt service reserve fund insurance policies with an acceptable surety bond, insurance policy or letter of credit. The County did not do so. Also in 2008, the County failed to comply with a rate covenant set forth in the Indenture pursuant to which the Sewer Warrants were issued and was in default under certain provisions of the Sewer Warrants Indenture. As a result, the Sewer Warrant insurers were required to (and did) pay accelerated principal redemptions on the variable rate demand warrants, as well as regularly scheduled interest on Sewer Warrants that the County failed to pay. Thus, although the System remained operationally sound, the finances of the System deteriorated even further.

In addition to the foregoing events, the swap agreements associated with the Sewer Warrants did not perform as expected. The variable rates paid to the County by the swap providers under the swap agreements were intended to move in tandem with, and roughly match, the variable interest rates payable by the County on the Sewer Warrants. However, as a result of failed bond auctions and ratings downgrades in early 2008, the applicable interest rates on the variable rate and auction rate Sewer Warrants increased dramatically. At the same time, the benchmark indices used to set the payments to the County under the swap agreements fell. As a consequence of this divergence in interest rates, the swap agreements had the opposite of their intended effect. Moreover, as a result of the downgrade of the County's underlying rating on the Sewer Warrants and the failure of the County to execute and deliver collateral agreements or to obtain an insurance policy, one or more termination events occurred under each of the swap agreements. Consequently, all of the swap agreements were terminated prepetition, triggering claims for termination fees asserted to be in excess of \$100 million in the aggregate.

Litigation and Appointment of Receiver.

State Court Receiver Action. The Retired Sewer Warrants Trustee, after the United States District Court for the Northern District of Alabama, Southern Division, abstained from exercising jurisdiction over a receivership action, brought suit in the Circuit Court of Jefferson County, Alabama, Birmingham Division (the "State Court"), seeking appointment of a receiver for the System (the "State Court Receiver Action"). In an order effective as of September 22, 2010 (the "Receiver Order"), the State Court, relying upon Alabama Code Section 6-6-620 and Section 13.2 of the Retired Sewer Warrants Indenture (such section of the Retired Sewer Warrants Indenture entitled "Remedies on Default"), appointed John S. Young as receiver over the System (in said capacity, the "Receiver"). As part of the Receiver Order, the State Court also entered a money judgment against the County in

the amount of \$515,942,500.11, with recourse for that money judgment limited to the net revenues from the operation of the System.

On June 14, 2011, the Receiver published its First Interim Report on Finances, Operations, and Rates of the Jefferson County Sewer System. In that report, the Receiver announced its intention to increase System revenues by 25%, through the levying of a monthly service charge on all System customers, increases of the System's volumetric rates and increasing certain surcharges.

On July 8, 2011, the State Court entered a further order directing the County to provide the Receiver signature authority over all existing bank accounts relating to the System and any other Cash Equivalent Assets (as that term is defined in the Receiver Order) of the System.

Following the Receiver's proposed rate increases, the Alabama Attorney General filed a motion to intervene in the State Court Receiver Action. On July 25, 2011, the State Court granted the Attorney General's motion.

Despite the Receiver's efforts, the Receiver did not succeed in implementing any service charges or increasing volumetric rates or surcharges between the time of his appointment in September 2010 and the commencement of the Bankruptcy Case in November 2011.

Ratepayer Litigation. Prior to the Filing Date, a putative class of ratepayers commenced an action in State Court (the "Ratepayer Litigation"), suing the County for, among other things, a declaration that the County's volumetric sewer rates were unreasonably and unlawfully high, and that the Indenture pursuant to which the Sewer Warrants were issued was void. The plaintiffs in this action sought opposite relief from that pursued by the Trustee of the Sewer Warrants in its prepetition lawsuits, arguing for the reduction, rather than the increase, of existing sewer rates.

Negotiations Regarding Restructuring of the Sewer Warrants. Starting in February 2008 and continuing through the Filing Date, the County negotiated with the Retired Sewer Warrants Trustee, the holders of the majority of the Sewer Warrants and the Sewer Warrant insurers. At various times, Governors Bob Riley and Robert Bentley, Attorney General Luther Strange, the Receiver and others participated in these negotiations. For a variety of different reasons, however, these prepetition negotiations did not result in a consummated settlement.

Financial Problems of System Resulting in Claims Against County's General Fund

The Sewer Warrants are non-recourse debts for which the County's General Fund has no repayment obligation. Nevertheless, the financial problems associated with the System impacted the County's General Fund, causing claims against the General Fund to be asserted or accelerated prepetition. These included the assertion of claims and counterclaims against the County by certain insurers of Sewer Warrants and holders of Sewer Warrants, alleging that the County's alleged improper conduct with respect to the Sewer Warrants was chargeable against the County's General Fund and the incurrence of substantial legal fees defending claims relating to the Sewer Warrants and the System. In addition, following the credit ratings downgrades of the County, \$120 million of the County's outstanding Series 2001-B General Obligation Warrants (hereinafter defined) were tendered for purchase and subsequently purchased by liquidity providers for such warrants, resulting in warrants which were otherwise due to mature in 2021 becoming subject to an accelerated repayment schedule requiring repayment in six equal semiannual installments, beginning on September 15, 2008 and continuing through March 15, 2011. The County made partial payments on this obligation totaling \$15 million, with the outstanding principal balance owing under the Series 2001-B General Obligation Warrants being approximately \$105 million as of the Filing Date. The County did not have sufficient cash to pay this debt while also maintaining basic services to its citizens.

Litigation During the County's Bankruptcy Case

The following discussion describes certain material litigation occurring during the County's Bankruptcy Case relating to the System and the Retired Sewer Warrants.

The Receiver-Stay Litigation

On the second day of the Bankruptcy Case, the Receiver and the Retired Sewer Warrants Trustee filed emergency motions seeking expedited determinations that, among other things, (1) the automatic bankruptcy stays did not apply to the Receiver's continued operation and administration of the System for various reasons or (2) "cause" existed to grant relief from the automatic stays to allow the Receiver to continue to operate and administer the System (together, the "Receiver-Stay Motions"). The Retired Sewer Warrants Trustee also argued that, pursuant to Section 922(d) of the Bankruptcy Code, the automatic stays in effect in the Bankruptcy Case did not bar the Retired Sewer Warrants Trustee from collecting the net System revenues acquired by the County after the Filing Date. Section 922(d) provides in pertinent part that, notwithstanding the automatic stay provisions of Section 362 of the Bankruptcy Code, a petition filed under Chapter 9 "does not operate as a stay of application of pledged special revenues in a manner consistent with section [928]* of this title to payment of indebtedness secured by such revenues." Various other parties, including certain of the insurers of the Retired Sewer Warrants, liquidity providers for the Retired Sewer Warrants, and other parties in interest, filed joinders or statements in support of the Receiver-Stay Motions.

The County opposed the Receiver-Stay Motions. Among other things, the County argued that Section 922(d)'s stay exemption applied only to the "application" of funds already in the Retired Sewer Warrants Trustee's possession as of the Filing Date, and not to any revenues collected by the County after such date. After an evidentiary hearing, the Bankruptcy Court issued its opinion (the "Receiver-Stay Litigation Opinion") in which it ruled that "[w]ith one exception, the automatic stays of 11 U.S.C. § 362(a) and 11 U.S.C. § 922(a) prevent the [Retired Sewer Warrants Trustee] and the Receiver from taking further actions in the [State Court Receiver Action] and with respect to the County's sewer system properties." To the extent the automatic stays were applicable, the Bankruptcy Court ruled that "cause" had not been shown to grant the Retired Sewer Warrants Trustee and the Receiver relief from the automatic stay to allow the Receiver to continue to operate and control the System. The exception to the automatic stay noted by the Bankruptcy Court related to Section 922(d) of the Bankruptcy Code. Regarding that issue, the Bankruptcy Court sided with the Retired Sewer Warrants Trustee, holding that Section 922(d) required the County to pay over to the Retired Sewer Warrants Trustee the net System revenues collected by the County post-petition and allowed for application of such funds to the payment of the Retired Sewer Warrants.

Notices of appeal of the Receiver-Stay Litigation Opinion were filed by various parties (including the County). The Bankruptcy Court certified its ruling for direct appeal to the United States Court of Appeals for the Eleventh Circuit (the "Eleventh Circuit"), which thereafter agreed to hear the appeals.

The parties completed their respective briefing before the Eleventh Circuit (on both the creditors' appeal and the County's cross-appeal). After entering into the Sewer Plan Support Agreements (as defined in the Plan of Adjustment), and to facilitate the County's efforts to confirm the Plan of Adjustment, the County and certain parties to the appeal requested that the Court of Appeals postpone the oral argument and hold the appeal in abeyance. The Court of Appeals has entered an order granting the parties' request to postpone oral argument and to hold the appeal in abeyance until January 15, 2014.

The Net Revenues Litigation

Although the Bankruptcy Court's opinion regarding the Receiver-Stay Motions held that the County must continue to pay over net System revenues to the Retired Sewer Warrants Trustee for continued payment on the Retired Sewer Warrants, the opinion did not address the extent to which amounts could be deducted from net System revenues, either as "Operating Expenses" under the Retired Sewer Warrants Indenture or as "necessary operating expenses" under Section 928(b) of the Bankruptcy Code.

Various issues regarding the amounts that could be deducted from net System revenues were litigated in the context of *Bank of New York Mellon v. Jefferson County (In re Jefferson County)*, Adversary Proceeding No. 12-00016-TBB (the "Net Revenues Adversary Proceeding"). The Net Revenues Adversary

* The text of Section 922(d) actually references Section 927 of the Bankruptcy Code; however, that reference is erroneous and should refer to Section 928. See 6 Collier on Bankruptcy ¶ 922.05[3] n.20.

Proceeding was commenced when the Retired Sewer Warrants Trustee filed an adversary complaint against the County, which was subsequently amended to add certain of the insurers and liquidity providers of the Retired Sewer Warrants as plaintiffs. In addition, an additional insurer of Retired Sewer Warrants filed a complaint in intervention against the County, and the County filed counterclaims. The Bankruptcy Court severed three counts of the plaintiffs' complaint and the County's counterclaims into a separate adversary proceeding (see discussion of the "Severed Sewer Adversary Proceeding" below).

The central issue of the Net Revenues Adversary Proceeding involved the application of Section 928 of the Bankruptcy Code to, and its effect upon, the net System revenue pledge securing the Retired Sewer Warrants. Section 928(a) of the Bankruptcy Code provides, in pertinent part, that, subject to Section 928(b), "special revenues acquired by the debtor after the commencement of the case shall remain subject to any lien resulting from any security agreement entered into by the debtor before the commencement of the case." Section 928(b) qualifies Section 928(a), however, providing that "[a]ny such lien on special revenues, other than municipal betterment assessments derived from a project or system shall be subject to the necessary operating expenses of such project or system, as the case may be." The term "special revenues" is defined in Section 902(2) of the Bankruptcy Code to include, among other things, "receipts derived from the ownership, operation, or disposition of projects or systems of the debtor that are primarily used or intended to be used primarily to provide transportation, utility, or other services, including the proceeds of borrowings to finance the projects or systems." Although the parties agreed that the net System revenues constituted "special revenues" within the Bankruptcy Code's definition, they disagreed strongly about whether and to what extent certain expenditures of the County were payable out of the net System revenues prior to application of such net revenues to debt service, either as Operating Expenses under the Retired Sewer Warrants Indenture or as "necessary operating expenses" pursuant to Section 928(b) of the Bankruptcy Code. The County argued that, among other things, its legal fees and expenses incurred in connection with the Bankruptcy Case, as well as capital expenditures relating to the System, constituted Operating Expenses entitled to priority payment under the Retired Sewer Warrants Indenture or as "necessary operating expenses" under Section 928(b). The Retired Sewer Warrants Trustee, as well as the insurers and liquidity providers party to the Net Revenues Adversary Proceeding, countered that such expenses were not compensable Operating Expenses under either the Retired Sewer Warrants Indenture or the Bankruptcy Code.

After a trial on the matter, the Bankruptcy Court issued its *Memorandum Opinion On Net Revenues And Applicability of 11 U.S.C. § 928(b)*, reported as *Bank of New York Mellon v. Jefferson County (In re Jefferson County)*, 474 B.R. 725 (Bankr. N.D. Ala. 2012) (the "Net Revenues Opinion"). In the Net Revenues Opinion, the Bankruptcy Court concludes with the following summary of the Bankruptcy Court's ruling:

"Operating Expenses as determined under the [Refunding Sewer Warrants] Indenture do not include (1) a reserve for depreciation, amortization, or future expenditures, or (2) an estimate for professional fees and expenses. At the end of each monthly period, as is determined under the [Refunding Sewer Warrants] Indenture, the monies remaining in the Revenue Account following payment of the Operating Expenses that were (1) incurred in the then current month or any prior month and (2) due and payable in the then current month or a prior month are to be remitted in the priority and manner as set forth in Article XI of the [Refunding Sewer Warrants] Indenture without withholding of any monies for depreciation, amortization, reserves, or estimated expenditures that are the subject of this litigation. Additionally, 11 U.S.C. § 928(b) is inapplicable to the pledge of revenues under the [Refunding Sewer Warrants] Indenture and the distributive scheme in Article XI of the [Refunding Sewer Warrants] Indenture."

The Net Revenues Opinion did not address the County's entitlement to deduct from System revenues sewer-related professional fees and expenses actually incurred in connection with the Bankruptcy Case. The Bankruptcy Court subsequently entered an order (1) determining to decide by separate order the issue of actually-incurred professional fees and expenses based on the testimony from the evidentiary hearing and the post-hearing briefs submitted by the parties; (2) finding that there was "no just reason for delay ... in the entry of a final appealable judgment in [the Net Revenues Adversary Proceeding]"; and (3) entering partial final judgment in favor of the plaintiffs in the Net Revenues Adversary Proceeding.

The County appealed the Net Revenues Opinion, and the matter was certified to and accepted by the Eleventh Circuit as a direct appeal, pending as docket No. 13-10348-BB (the "Net Revenues Appeal"). After entering into the Sewer Plan Support Agreements, and to facilitate the County's efforts to confirm the Plan of Adjustment, the County and certain adverse parties to the appeal requested that the Court of Appeals postpone the oral argument and hold the appeal in abeyance. By order entered June 19, 2013, the Court of Appeals entered an order granting the parties' request to postpone oral argument and to hold the appeal in abeyance until January 15, 2014. Similarly, on June 12, 2013, the County filed a motion to stay all proceedings in the Net Revenues Adversary Proceeding, with certain limited exceptions concerning the issuance and appeal of the Court's ruling on the attorneys' fee issue. On June 28, 2013, the Bankruptcy Court entered an order granting the County's motion (the "Net Revenues Adversary Proceeding Stay Order").

The Bankruptcy Court issued its *Memorandum Opinion on Professional Fees and Expenses, the Indenture's Operating Expenses, and 11 U.S.C. § 928(b)'s "Necessary Operating Expenses"* on June 27, 2013, and its amended *Memorandum Opinion on Professional Fees and Expenses, the Indenture's Operating Expenses, and 11 U.S.C. § 928(b)'s "Necessary Operating Expenses"* on July 3, 2013 (the "Fee Opinion"). In the Fee Opinion, the Bankruptcy Court clarified certain aspects of the Net Revenues Opinion in the process of analyzing the County's entitlement to deduct from System Revenues sewer-related professional fees and expenses actually incurred in connection with the Bankruptcy Case. Among other things, the Fee Opinion stated that the Net Revenues Opinion "only excludes estimated capital items that were part of the Reserves from the definition of 'necessary operating expenses' under 11 U.S.C. § 928(b). It does not say and should not be read as saying anything more than that." The Bankruptcy Court ultimately concluded "that for the Joint Submission categories [of professional fees] as either Operating Expenses under the Indenture or as 'necessary operating expenses' for § 928(b) subordination purposes, all of the Joint Submission categories of Professional Fees are permitted to be paid ahead of interest and principal to the [holders of the Retired Sewer Warrants]." The Fee Opinion did not resolve certain objections that had been pursued by the Retired Sewer Warrants Trustee, including that insufficient information had been provided about the amount and nature of the County's professional fees to allow for an evaluation of whether such fees were reasonable; instead, the Bankruptcy Court noted that "these contentions by the [Retired Sewer Warrants] Trustee are not capable of resolution at this time and as part of this adversary proceeding," and accordingly dismissed such objections without prejudice (in the process observing that they "hopefully, need not be addressed by this Court on another day in another proceeding"). On July 11, 2013, the Retired Sewer Warrants Trustee and other parties in interest filed with the Bankruptcy Court a consolidated notice of appeal of the Fee Opinion. In response, on July 12, 2013, the Clerk of the Bankruptcy Court entered a notice of deficient filing, stating that "[n]o order has been entered and the Notice of Appeal is premature." On that same day, the Clerk of the Bankruptcy Court also made an entry on the docket that stated: "matters docketed in error as no order has been entered and the Notice of Appeal was premature. (RE: related document(s) [198] Service of Notice of Appeal by Court, [199] Notice to Parties Regarding Designations)." The parties have agreed not to take any further action on the potential appeal unless: (i) such action is consistent with the terms of the Net Revenues Adversary Proceeding Stay Order and the plan support agreements between the County and certain of its creditors, (ii) the party believes action is necessitated by further action by either the Bankruptcy Court or the District Court (including the entry of an order with respect to the Fee Opinion), or (iii) the party believes action is necessary to preserve the appeal. Notwithstanding the Fee Opinion, the Plan of Adjustment provides that the Accumulated Sewer Revenues (as such term is defined in the Plan of Adjustment) will be distributed under the Plan of Adjustment without deducting any amounts that may be subject to deduction as "Operating Expenses" under the Retired Sewer Warrants Indenture as a result of the ruling by the Bankruptcy Court in the Net Revenues Adversary Proceeding.

The Bankruptcy Court has stayed all proceedings in the Net Revenues Adversary Proceeding, with the aforementioned limited exceptions, until the earlier of (1) the Effective Date of the Plan of Adjustment, or the effective date of some other Chapter 9 plan of adjustment that incorporates the provisions of and is otherwise materially consistent with the County's plan support agreements with its creditors, and (2) the date of termination of any of the plan support agreements.

Severed Sewer Adversary Proceeding

As referenced above, the Bankruptcy Court severed three of the plaintiffs' counts, as well as the County's counterclaims, from the Net Revenues Adversary Proceeding and into a separate adversary proceeding. That severed adversary proceeding remains pending before the Bankruptcy Court as *Bank of New York Mellon v.*

Jefferson County (In re Jefferson County), Adversary Proceeding No. 12-00067-TBB (the "Severed Sewer Adversary Proceeding"). The portions of the Severed Sewer Adversary Proceeding consisting of claims made by the plaintiffs against the County were stayed pending disposition of the Net Revenues Appeal.

At issue in the Severed Sewer Adversary Proceeding were three counterclaims (the "Fund Ownership Counterclaims") seeking declaratory relief pursuant to 28 U.S.C. §§ 1334(e)(1) and 2201(a) with respect to the following funds under the Retired Sewer Warrants Indenture: (1) the Released Escrow Funds; (2) the 2005 Construction Fund; and (3) Supplemental Transactions Fund. More specifically, the County sought a determination from the Bankruptcy Court that it owned each of these funds free and clear of any lien, pledge or other property interest.

The County filed a Motion For Summary Judgment On The County's Counterclaim, arguing that none of the funds at issue in the Fund Ownership Counterclaims were the subject of any of the granting clauses in the Retired Sewer Warrants Indenture. The County also argued that the Released Escrow Funds and the Supplemental Transactions Fund were not delivered to or deposited with the Retired Sewer Warrants Trustee, and that the 2005 Construction Fund was not delivered to or deposited with the Retired Sewer Warrants Trustee "as additional security" (Retired Sewer Warrants Indenture § 2.1(III)), but rather was to be returned to the County when the County exercised its right to replace the Sewer Reserve Fund with certain insurance policies. The County further argued that Section 13.3 of the Retired Sewer Warrants Indenture did not expand the granting clauses in section 2.1, and that the Receiver Order did not create any interest in property beyond that created by the Retired Sewer Warrants Indenture.

In response, the plaintiffs/counterclaim defendants in the Severed Sewer Adversary Proceeding filed a cross-motion for summary judgment. The plaintiffs argued that the Retired Sewer Warrants Trustee had a lien on the disputed funds under Sections 2.1 and 14.7 of the Retired Sewer Warrants Indenture, and that there was a statutory lien on the funds pursuant to Chapter 28, Title 11 of the Alabama Code, and that regardless of any lien, the funds were restricted. In addition, the plaintiffs argued that the Receiver Order found that the Retired Sewer Warrants Trustee had a first-priority lien on all "Funds of the [Sewer] System" in its possession, and that the County was barred by *res judicata* from challenging that finding.

The Bankruptcy Court heard oral argument on the parties' cross motions for summary judgment. No ruling has been issued. The County filed a motion to stay all proceedings in the Severed Sewer Adversary Proceeding, including any ruling on the parties' cross motions for summary judgment. The Bankruptcy Court has stayed all proceedings in the Severed Sewer Adversary Proceeding until the earlier of (1) the Effective Date of the Confirmed Plan of Adjustment, or the effective date of some other Chapter 9 plan of adjustment that incorporates the provisions of and is otherwise materially consistent with the County's Sewer Plan Support Agreements, and (2) the date of termination of any such sewer plan support agreement.

The Rate-Related Stay Relief Motions

In March 2012, one of the insurers of the Retired Sewer Warrants filed a Motion to Lift or Condition the Automatic Stay. The insurer sought either (1) relief from the stay to allow the Receiver to set new sewer rates or (2) an order conditioning the continuance of the automatic stay on the County's raising sewer rates by July 1, 2012. The County objected to the insurer's motion. After a hearing thereon, the Court entered an interim order requiring the County to file status reports "concerning the sewer ratemaking process" every 45 days. The insurer's motion was continued.

The County filed status reports in compliance with the Court's order, setting out the County's ratemaking progress. Among other things, during the summer of 2012, the County held three public hearings and, on November 6, 2012, the Commission adopted the Charge Ordinance, which approved a sewer rate structure proposed by the County's utility system consultant Eric Rothstein, a principal of the Galardi Rothstein Group ("Mr. Rothstein").

The Retired Sewer Warrants Trustee filed a motion seeking relief from the automatic stays to pursue litigation for the purpose of increasing the County's sewer rates. The insurer of the Retired Sewer Warrants that had filed the motion for relief from stay requested further hearings on its pending motion. Soon thereafter,

holders of a substantial amount of the Retired Sewer Warrants (the "Ad Hoc Sewer Warranholders") and another warrant insurer each filed motions for relief from stay articulating different bases for such relief. These stay-relief motions are referred to collectively as the "Rate-Related Stay Relief Motions."

The Rate-Related Stay Relief Motions alleged that the County's sewer rates did not comply with the Retired Sewer Warrants Indenture, Alabama law, or the County's obligations under the Bankruptcy Code. The County filed a Preliminary Opposition to the Rate Relief Motions, asserting that the Commission's rates were presumptively valid under applicable law and that the County's newly-adopted rates complied with the County's obligations under both Alabama and bankruptcy law.

An evidentiary hearing on the Rate-Related Stay Relief Motions was held during the first half of 2013. The Bankruptcy Court has not ruled on the Rate-Related Stay Relief Motions.

After entering into the Sewer Plan Support Agreements, and to facilitate the County's efforts to confirm the Plan of Adjustment, the County filed a motion to stay all proceedings on the Rate-Related Stay Relief Motions, including any ruling on the Rate-Related Stay Relief Motions. The Bankruptcy Court stayed all proceedings on the Rate-Related Stay Relief Motions until the earlier of (1) the Effective Date of the Plan of Adjustment, or the effective date of some other Chapter 9 plan of adjustment that incorporates the provisions of and is otherwise materially consistent with the Sewer Plan Support Agreements, and (2) the date of termination of any such Sewer Plan Support Agreement.

The Retired Sewer Warrants Trustee's Declaratory Judgment Action

The Retired Sewer Warrants Trustee filed a complaint for declaratory relief in the Bankruptcy Court, naming the County and two insurers of the Retired Sewer Warrants as defendants. The action was styled *The Bank of New York Mellon, as Indenture Trustee v. Jefferson County, Alabama, et al.*, Adversary Proceeding Number 13-00019-TBB (the "Declaratory Judgment Action"). In the complaint, the Retired Sewer Warrants Trustee requested declaratory relief regarding the Retired Sewer Warrants Trustee's rights and duties under the Retired Sewer Warrants Indenture and statutory and constitutional law. Among other relief, the Retired Sewer Warrants Trustee (1) sought authorization to accelerate, in its discretion, some of the Retired Sewer Warrants, without accelerating certain Retired Sewer Warrants insured by the defendant-insurers; (2) requested instructions regarding the application of funds received by the Retired Sewer Warrants Trustee after acceleration of some, but not all, Retired Sewer Warrants; (3) asked the Bankruptcy Court to determine the Retired Sewer Warrants Trustee's ability to draw on certain policies issued by the defendant-insurers; (4) sought a declaration that reimbursement of amounts paid by the defendant-insurers on account of draws on certain of their policies were subordinate to the payment of the Retired Sewer Warrants; and (5) requested a declaration that obligations to honor draws under certain insurance policies continue after all or certain of the Retired Sewer Warrants had been accelerated.

Each of the Defendants timely responded to the Retired Sewer Warrants Trustee's complaint. The Bankruptcy Court entered an order in the Declaratory Judgment Action (the "Declaratory Judgment Action Order"). The Declaratory Judgment Action Order provides that: (1) the Declaratory Judgment Action is stayed; (2) the County will continue to pay to the Retired Sewer Warrants Trustee on a monthly basis net revenues of the System (without deducting any additional amounts that may be subject to deduction as "Operating Expenses" under the Retired Sewer Warrants Indenture as a result of any ruling by the Bankruptcy Court regarding pending disputes about actually incurred professional fees in the Net Revenues Adversary Proceeding); (3) the Retired Sewer Warrants Trustee will not present any claims or seek to draw on certain insurance policies; and (4) the Retired Sewer Warrants Trustee shall not distribute sewer revenues to the holders of Retired Sewer Warrants on account of obligations becoming due on or after February 1, 2013. The Declaratory Judgment Action Order stated that the relief granted therein shall remain effective until the earlier of (1) the Effective Date of the Confirmed Plan of Adjustment, or the effective date of some other Chapter 9 plan of adjustment that incorporates the provisions of and is otherwise materially consistent with the County's plan support agreements with certain of its creditors, and (2) the date of termination of any such plan support agreement.

The Weissman Litigation

The plaintiffs in this case filed suit prepetition against the County seeking the repayment of all occupational, license, and privilege taxes levied by the County pursuant to authorizing legislation passed on August 14, 2009. The lawsuit was filed in the Circuit Court of Jefferson County and was assigned Case Number CF-09-904022.00. The taxes levied between August 1 and December 31 of 2009 amounted to approximately \$31 million. On December 1, 2010, the trial court granted summary judgment for the plaintiffs and found that the notice that preceded the passage of the authorizing legislation was inadequate. The trial court enjoined the County from collecting the occupational, license, and privilege taxes, but did not order the County to refund amounts already collected. Prior to the Filing Date, the Supreme Court of Alabama affirmed the trial court's ruling that the statute was unconstitutional, but had not decided as of the Filing Date the question whether the County must refund any taxes collected prior to December 1, 2010.

After the Bankruptcy Court granted the County's request that the automatic stays be lifted as to this case to allow the appeal to proceed, the Supreme Court of Alabama ruled that the County was not required to refund taxes it collected prior to December 1, 2010. Had the Alabama Supreme Court ruled to the contrary, the County's liability for refunding such taxes could have totaled approximately \$100 million. The Bankruptcy Court thereafter modified the automatic stays to allow the plaintiffs to file a petition for writ of certiorari to the Supreme Court of the United States. No writ of certiorari was filed. Prior to the Alabama Supreme Court's ruling, the Weissman plaintiffs filed a proof of claim in the Bankruptcy Case asserting a claim for the refund of the taxes at issue in the Supreme Court's decision. Subsequent to the Alabama Supreme Court's opinion, the Weissman plaintiffs withdrew their proof of claim. The Weissman litigation is now concluded.

Other Material Events During the Bankruptcy Case

The following discussion describes certain material developments occurring during the County's Bankruptcy Case relating to the County's General Fund and its general operations.

Adoption of the Fiscal Year 2013-2014 Budget

The County operates pursuant to an annual budget (the "Budget"), which aggregates the budgets of each of the many operating funds maintained by the County. The Budget projects the receipts, disbursements, and transfers from all sources for the forthcoming fiscal year. Each fiscal year runs from October 1 through September 30.

Pursuant to Alabama Code section 11-8-3, the Commission, at a meeting in September of each calendar year, must prepare and adopt a Budget for the fiscal year commencing on October 1 of such calendar year. State law requires that the Budget be a balanced budget. Section 11-8-3(b) specifically requires that the "appropriations made in [a county commission's] budget shall not exceed the estimated total revenue of the county available for appropriations." The Budget must, at a minimum, include any revenue required to be included in the Budget under the provisions of Alabama law, as well as reasonable expenditures for the operation of the offices of the Judge of Probate, the County's tax officials, the Sheriff, the County Treasurer, the County jail, the County courthouse, and other offices as required by law.

Once the County has approved its Budget, no obligation incurred by any County official or office over and above the amounts approved and appropriated by the Commission shall be a valid obligation of the County unless the obligation is approved by an affirmative vote of a majority of the members of the Commission.

On September 17, 2013, the Commission approved a budget for the fiscal year beginning on October 1, 2013 (the "Fiscal Year 2013-2014 Budget"). A true and correct copy of the Fiscal Year 2013-2014 Budget is attached as Appendix L hereto. The Fiscal Year 2013-2014 Budget is a balanced budget for purposes of the requirements of Alabama Code Section 11-8-3.

The Adoption of a New Indigent Care Model for the County: Cooper Green Mercy Health Services

For nearly 50 years, the County has provided healthcare for indigent County residents. Under Alabama law, the County is required to establish an "Indigent Care Fund" to help finance the cost of delivering healthcare to the County's poorer citizens and to impose a sales and use tax to cover the costs of such fund. To fulfill its statutory obligations, the County initially provided indigent care through private hospitals. Eventually, the County opened its own public hospital, Mercy Hospital, to provide indigent care. The hospital was eventually renamed Cooper Green Mercy Hospital ("Cooper Green"). Since 1983, Cooper Green has operated as a department of the County.

The cost of operating Cooper Green historically exceeded the funding Cooper Green received from the Indigent Care Fund, the hospital's own operating revenues, and donations received by the hospital. The County's General Fund often was called upon to fund the hospital's shortfall. In fiscal year 2010, for example, Cooper Green received \$12.7 million from the County's General Fund reserves to cover its operating shortfalls. In fiscal year 2011, an additional \$10.6 million was transferred from the General Fund to Cooper Green.

During 2012, the Commission evaluated a new model for the delivery of indigent healthcare. Several factors prompted this evaluation, including Cooper Green's chronic operating shortfalls and the tremendous strain placed on the County's General Fund reserves by its loss of its Occupational Tax revenues. The Commission's research revealed that the County was spending significantly more on indigent healthcare than any other county in Alabama, and more than many other large counties across the nation.

During 2012, the Commission passed a resolution to stop providing inpatient care and close the emergency room at Cooper Green. All inpatient and emergency room operations ceased during December 2012. The resolution also adopted a new "hub and spokes" model for delivering indigent healthcare within the County under the auspices of Cooper Green Mercy Health Services. Under this model, which is now being implemented, the former hospital facility will serve as the hub for providing diagnostic care, urgent care, specialty care, and primary care to indigent patients. The new model emphasizes primary care services, with Cooper Green maintaining additional outreach clinics throughout the County to provide primary care treatment. The County through Cooper Green Mercy Health Services continues to provide urgent care seven days a week to patients needing immediate care but not suffering from life-threatening issues; patients with life-threatening conditions are routed to emergency rooms at local private hospitals. The changes have resulted in substantial reductions in force and cost savings at Cooper Green. A timetable for completing the transition to the "hub and spokes" model is currently under development.

Sales of County Properties

Since the Filing Date, the County has sold its interests in a number of properties, including a nursing home formerly owned and operated by the County, geriatric/psychiatric bed licenses formerly used by Cooper Green, and other personal and real property. These sales have generated modest revenues for the County, but have also allowed the County to reduce carrying costs associated with those properties.

Efforts to Obtain General Fund Legislation

In 2011, a legislative effort was made by the County to obtain unrestricted General Fund revenues to replace a portion of the revenues previously generated by the Occupational Tax. The County's effort resulted in the introduction of several bills to replace a portion of the revenue generated by the previous Occupation Tax and/or to un-earmark previously earmarked funds to provide the County with additional spending flexibility. However, none of these bills received the requisite support from the Alabama Legislature. The Regular Session ended in June 2011 without the Alabama Legislature approving any General Fund relief to the County.

Governor Robert Bentley indicated a willingness to call a Special Session of the Alabama Legislature after the 2011 legislative session ended to address the County's General Fund needs, but only if the County reached a global settlement with its sewer creditors and the County's legislative delegation reached

consensus on a General Fund revenue bill. Neither condition was met so the Governor did not call a Special Session.

In 2012, the County engaged in substantive discussions with multiple legislators representing districts within the County regarding possible measures to increase General Fund revenues. However, no significant efforts were undertaken by the full Alabama Legislature during the 2012 Regular Session to provide the County with General Fund relief.

Similar efforts failed in 2013.

The County continues to evaluate its potential legislative options for obtaining General Fund relief; however, based upon its past experiences, the County is not confident that any such authorizing legislation will be approved by the Alabama Legislature and cannot accurately predict the likelihood of any such legislation being passed in the future. It should be noted though that no General Fund revenues will be used to pay the Warrants.

Negotiation of Plan Support Agreements

In June and July 2013, the Commission approved five Sewer Plan Support Agreements with numerous holders of the Retired Sewer Warrants, the insurers of the Retired Sewer Warrants, liquidity providers with respect to the Retired Sewer Warrants, and swap providers with respect to the Retired Sewer Warrants (collectively, as more particularly defined in the Plan of Adjustment, the "Sewer Plan Support Parties"). The Sewer Plan Support Agreements provided the framework for the refunding and retirement of the Retired Sewer Warrants and the settlement and release of the swap termination fees relating to such Retired Sewer Warrants at a substantial discount in accordance with the Plan of Adjustment.

The County is obligated under the Sewer Plan Support Agreements to take various actions. Without limitation, and in each case subject to all terms and conditions of the Sewer Plan Support Agreements and based on the meanings given to capitalized terms in the Sewer Plan Support Agreements (which are attached as exhibits to the Disclosure Statement), the County agreed to:

- file and exercise all reasonable efforts to expeditiously prosecute, confirm, and consummate a Chapter 9 plan of adjustment that incorporates the provisions of, and is otherwise materially consistent with, the Sewer Plan Support Agreements;
- not take any action (directly or indirectly) that is inconsistent with the Sewer Plan Support Agreements or an otherwise acceptable Chapter 9 plan, or that would delay or otherwise impede approval of the Disclosure Statement or an otherwise acceptable Chapter 9 plan, or the expeditious confirmation and consummation of an otherwise acceptable Chapter 9 plan;
- not file, support, or seek confirmation of any plan of adjustment with respect to the Sewer Warrants under Bankruptcy Code section 1129(b) unless such plan of adjustment satisfies the terms of the Sewer Plan Support Agreements;
- not commence any new litigation against any Sewer Plan Support Party and not prosecute, and exercise all reasonable efforts to suspend, any existing litigation against any Sewer Plan Support Party and in connection with any such litigation, take no action inconsistent with the restructuring contemplated by the Sewer Plan Support Agreements and the Plan of Adjustment;
- prosecute the Disclosure Statement and an acceptable plan of adjustment and implement all steps necessary or appropriate to obtain from the Bankruptcy Court the Confirmation Order prior to November 25, 2013, unless such date is

extended by each of the Sewer Plan Support Parties in their sole and absolute discretion;

- cause the Effective Date of the County's acceptable plan of adjustment to occur prior to December 20, 2013, or, if extended in accordance with the applicable Sewer Plan Support Agreements, prior to December 31, 2013; and
- negotiate in good faith with the Sewer Plan Support Parties each of the definitive agreements and documents referenced in, or reasonably necessary or desirable to effectuate the transactions contemplated by the Sewer Plan Support Agreements.

Prior to the filing of the Plan of Adjustment, the Sewer Plan Support Parties acknowledged that the Plan of Adjustment was an acceptable plan of adjustment within the terms of the Sewer Plan Support Agreements.

In addition to the Sewer Plan Support Agreements, the County negotiated and approved certain other plan support agreements with several creditors relating to the County's outstanding general obligation warrants (collectively, as more particularly described in the Plan of Adjustment, the "GO Warrants"). The Plan of Adjustment's proposed treatment of the GO Warrants is consistent with the terms of these plan support agreements.

The County is in the process of negotiating amendments to the Sewer Plan Support Agreements that will, among other things, reflect the amendments to the Amended Financing Plan adopted by the County Commission on October 31, 2013, and extend the confirmation deadline from November 25, 2013 until December 9, 2013. The County anticipates that these amendments to the Sewer Plan Support Agreements will be finalized, executed, and delivered prior to the Confirmation Hearing.

The Plan of Adjustment and Its Treatment of Claims

Pursuant to Section 941 of the Bankruptcy Code, the County has filed with the Bankruptcy Court its Plan of Adjustment and the Disclosure Statement. The Plan of Adjustment is discussed in more detail under the heading "THE PLAN OF ADJUSTMENT" in the Official Statement. Additional information concerning the Plan of Adjustment is set forth herein.

Effect of Confirmation

Section 6.1 of the Plan of Adjustment provides that, upon the Effective Date of the Plan of Adjustment and pursuant to Bankruptcy Code Section 944(a), the Confirmed Plan of Adjustment, the distributions and transactions contemplated by the Confirmed Plan of Adjustment, and the compromises and settlements contained in the Confirmed Plan of Adjustment shall be binding upon the County, all creditors, all special tax payers (as such term is defined in Bankruptcy Code Section 902(3)), all customers and rate payers of the System, all parties in interest, and all other persons, and that confirmation of the Plan of Adjustment shall bind each holder of a Claim to all the terms and conditions of the Confirmed Plan of Adjustment, whether or not such holder's Claim is allowed, whether or not such holder holds a Claim that is in a class that is impaired under the Confirmed Plan of Adjustment, and whether or not such holder has accepted the Confirmed Plan of Adjustment.

The Discharge and Release of the County

Except as otherwise provided in the Plan of Adjustment or the Confirmation Order, on the Effective Date, the County and its property will be discharged and released to the fullest extent permitted by Bankruptcy Code Section 944(b) from all claims and rights that arose before the Effective Date, including all debts, obligations, demands, and liabilities, and all debts of the kind specified in Bankruptcy Code Sections 502(g), 502(h), or 502(i).

The Plan of Adjustment also provides for the release of the County, as well as members of the Commission, employees of the County, and other representatives and affiliates of the County of and from various

claims and causes of action. Section 6.3(a) of the Plan of Adjustment provides for a broad mutual release among all Sewer Released Parties (as such term is defined in the Plan of Adjustment), including the County, on behalf of itself, and, to the maximum extent permitted by law, on behalf of each of their Related Parties (as such term is defined in the Plan of Adjustment), of and from any and all Sewer Released Claims (as such term is defined in the Plan of Adjustment) in exchange for and upon receipt of the treatment and consideration set forth in the Plan of Adjustment for the Sewer Released Parties, including the compromises and settlements among the Sewer Released Parties implemented pursuant to the Plan of Adjustment. Also, Section 6.3(b) of the Plan of Adjustment provides for a broad mutual release among all GO Released Parties (as such term is defined in the Plan of Adjustment), including the County, and to the maximum extent permitted by law, on behalf of each of their Related Parties, of and from any and all GO Released Claims (as such term is defined in the Plan of Adjustment) in exchange for and upon receipt of the treatment and consideration set forth in the Plan of Adjustment for the GO Released Parties, including the compromises and settlements among the GO Released Parties implemented pursuant to the Plan of Adjustment.

Sewer Released Claims

With respect to Sewer Released Claims, the Plan of Adjustment provides for:

- (i) mutual releases of any and all Sewer Released Claims (as defined in the Plan of Adjustment) by and among the County and all the other Sewer Released Parties (as defined in the Plan of Adjustment) and their respective Related Parties (as defined in the Plan of Adjustment), which Sewer Released Claims include all Claims against the County for or with respect to the Retired Sewer Warrants,
- (ii) the discharge and release of the County and its property from all Claims and rights that arose before the Effective Date (as defined in the Plan of Adjustment) of the Plan of Adjustment, and
- (iii) the dismissal with prejudice of the State Court Receiver Action (as defined above) and the Ratepayer Litigation (as defined above).

As part of these compromises, the Plan of Adjustment committed the County to adopt the Rate Resolution approving the increases in all fees and charges for use of the System in accordance with the Approved Rate Structure, which resolution and rate structure are described more fully in "JEFFERSON COUNTY SEWER SYSTEM – Charge Ordinance and Approved Rate Structure" in the Official Statement.

The adoption of the Rate Resolution and the implementation of the Approved Rate Structure are designed to (A) facilitate the County's issuance of the Warrants (so as to enable the County to make the approximately \$1.7 billion (subject to certain upward adjustments) of distributions under the Confirmed Plan of Adjustment to the holders of the Retired Sewer Warrants, insurers of the Retired Sewer Warrants and liquidity providers for the Retired Sewer Warrants) and (B) help the System generate adequate funds to service indebtedness (including the debt service for the Warrants), maintain operations, and meet certain capital needs over approximately the next 10 years. The financing described in this Official Statement is the financing of System debt contemplated in the "Amended Financing Plan" described in the Disclosure Statement.

Settlement of other Significant County Liabilities

The Plan of Adjustment also implements a series of settlements concerning the County's other significant liabilities, including the following:

Certain Series 2001-B General Obligation Debt Claims. The County issued its \$120,000,000 original principal amount General Obligation Warrants, Series 2001-B, dated July 19, 2001 (the "Series 2001-B General Obligation Warrants") to refinance debt previously issued for the erection, repair or maintenance of public buildings, bridges or roads. These warrants were issued as variable rate demand warrants, were tendered for

purchase and were subsequently purchased by the liquidity providers for such warrants. The Plan of Adjustment reflects the terms of a Plan Support Agreement negotiated among the County, the liquidity providers and the trustee for these warrants setting forth the terms and provisions pursuant to which these warrants will be exchanged for new warrants and the agreement of one such liquidity provider that also was the counterparty to an interest rate swap agreement executed in connection with the Series 2001-B General Obligation Warrants to accept the sum of ten dollars (\$10.00) in full, final and complete settlement, satisfaction, release and exchange of its Claim for a \$7,893,762 termination payment relating to such interest rate swap agreement.

Certain Series 2003-A and Series 2004-A General Obligation Debt Claims. The County issued its \$94,000,000 initial principal amount General Obligation Capital Improvement and Refunding Warrants, Series 2003-A, dated March 1, 2003, and its \$51,020,000 initial principal amount General Obligation Capital Improvement Warrants, Series 2004-A, dated August 1, 2004, to finance and refinance various capital improvements within the County. These warrants are insured by National Public Finance Guarantee Corporation ("National"), formerly known as MBIA Insurance Corporation. As of the Filing Date, the County had paid all scheduled principal and interest payments on these warrants when due. Following the filing of the Bankruptcy Case, the County ceased making payments, and all principal and interest payments scheduled to come due during the duration of the Bankruptcy Case have been paid by National pursuant to its municipal bond insurance policies. The Plan of Adjustment reflects the terms of a Plan Support Agreement negotiated between National and the County which involves the settlement and compromise of numerous potential claim allowance and priority disputes between National and the County. Specifically, the Plan of Adjustment provides that National will receive a full recovery on the principal that National paid to holders of these warrants during the Bankruptcy Case, which recovery is split between two payments to be made in 2014 and 2015. The Plan of Adjustment also provides that the County will repay approximately \$8.5 million of interest that National paid to holders of these warrants during the Bankruptcy Case in three payments to be made in 2025, 2026, and 2027 – these obligations will be non-interest bearing and are subject to the County's right to prepay such amounts in whole or in part using a 4.90% discount rate. Finally, the Plan of Adjustment provides for a compromise and settlement of National's claim for its fees and expenses, which the County has been informed could exceed \$4 million, through a single payment of \$1.5 million to National on the Effective Date of the Plan of Adjustment.

Certain School Debt Claims. The County issued its \$200,000,000 initial principal amount Limited Obligation School Warrants, Series 2005-B, dated February 2, 2005 (the "Series 2005-B School Warrants") to, among other things, make grants to eleven local school boards to finance a variety of capital improvement projects. These warrants were issued as variable rate demand warrants and liquidity support was provided by DEPFA Bank plc ("Depfa"). In 2008, the principal amount of the Series 2005-B School Warrants then outstanding was tendered by investors and purchased by Depfa, and such Series 2005-B School Warrants were held as "bank warrants" for the benefit of Depfa pursuant to the standby purchase agreement between the County and Depfa. The Plan of Adjustment reflects the terms of a Plan Support Agreement negotiated between Depfa and the County whereby, among other things, the parties agreed on the amount of interest payable on the Series 2005-B School Warrants held by Depfa and the County agreed to use certain future tax proceeds to redeem Series 2005-B School Warrants held by Depfa.

Bessemer Lease Claims. In August 2006, the Jefferson County Public Building Authority (the "PBA") issued a series of warrants (the "Bessemer Lease Warrants") to finance, among other things, a new County courthouse building in Bessemer, Alabama. The PBA and the County entered into a lease (the "Bessemer Lease") pursuant to which the County agreed to make rental payments on such dates and in such amounts sufficient to provide for the payment of debt service on the Bessemer Lease Warrants. As of the Filing Date, the County's rent obligations under the Bessemer Lease exceeded \$8 million per year on an annualized basis. After evaluating its options, the County concluded that, given its cash flow constraints, it could no longer continue to maintain its obligations under the Bessemer Lease as originally structured. The County engaged in settlement discussions, but was unable to reach a settlement prior to the lease rejection deadline under the Bankruptcy Code. Consequently, prior to such rejection deadline, the County moved to reject the Bessemer Lease. Objections to the motion to reject were filed, but the County continued negotiations which resulted in a stipulation among various interested parties that contemplated, among other things, the execution of a new lease (the "New Bessemer Lease"), which would extend the term of the Bessemer Lease from 2026 to 2037 and substantially reduce the annual rent payments due from the County. Following a hearing to consider the objection of one creditor, the Bankruptcy Court entered an order on December 20, 2012 approving the New Bessemer Lease, which was executed by the PBA and the County

in January, 2013. Under the Plan of Adjustment, in full, final, and complete settlement, satisfaction, release and exchange of all Claims relating to the Bessemer Lease, the County agrees to recognize and perform all of its obligations under the New Bessemer Lease.

Other Unsecured Claims. The Plan of Adjustment provides that General Unsecured Claims against the County arising prior to the Filing Date will receive a pro rata distribution of a \$5.0 million pool established for their benefit by the County under the Confirmed Plan of Adjustment. Upon the Confirmed Plan of Adjustment becoming effective, the County and its property will be discharged and released of and from the General Unsecured Claims.

The total amount of General Unsecured Claims that are due to be allowed in the Bankruptcy Case is much smaller than the amount of unsecured claims listed by the County in its original List of Creditors or asserted in proofs of claims filed by creditors in the Bankruptcy Case. During the course of its Bankruptcy Case, the County has exercised its authority under Sections 903 and 904 of the Bankruptcy Code to pay lawful general unsecured trade claims in the ordinary course of its operations to the extent those claims were due to be allowed in the Bankruptcy Case. Accordingly, the County believes that it has paid substantially all of those prepetition unsecured trade Claims that are or were due to be allowed and that it is generally current with the payment of both prepetition and postpetition trade claims. Also, under the terms of the Plan of Adjustment, certain unsecured claims asserted by various holders and insurers of the Retired Sewer Warrants shall be waived and released upon the Effective Date of the Confirmed Plan of Adjustment. Similarly, the Plan of Adjustment provides that no distributions will be made on account of certain unsecured claims asserted by the Retired Sewer Warrants Trustee.

APPENDIX I
FORM OF CONTINUING DISCLOSURE AGREEMENT

[THIS PAGE INTENTIONALLY LEFT BLANK]

DISCLOSURE DISSEMINATION AGENT AGREEMENT

This Disclosure Dissemination Agent Agreement (the “Disclosure Agreement”), dated as of _____, 2013, is executed and delivered by Jefferson County, Alabama (the “County”) and Digital Assurance Certification, L.L.C., as exclusive Disclosure Dissemination Agent (the “Disclosure Dissemination Agent” or “DAC”) for the benefit of the Holders (hereinafter defined) of the Warrants (hereinafter defined) and in order to provide certain continuing disclosure with respect to the Warrants in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time (the “Rule”).

The services provided under this Disclosure Agreement solely relate to the execution of instructions received from the County through use of the DAC system and do not constitute “advice” within the meaning of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”). DAC will not provide any advice or recommendation to the County or anyone on the County’s behalf regarding the “issuance of municipal securities” or any “municipal financial product” as defined in the Act and nothing in this Disclosure Agreement shall be interpreted to the contrary.

SECTION 1. Definitions. Capitalized terms not otherwise defined in this Disclosure Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with the Rule, in the Official Statement (hereinafter defined). The capitalized terms shall have the following meanings:

“Annual Filing Date” means the date, set in Sections 2(a) and 2(f), by which the Annual Report is to be filed with the MSRB.

“Annual Financial Information” means annual financial information specified in Section 3(a) of this Disclosure Agreement.

“Annual Report” means an Annual Report described in and consistent with Section 3 of this Disclosure Agreement.

“Audited Financial Statements” means the financial statements (if any) of the County for the prior fiscal year, certified by an independent auditor as prepared in accordance with generally accepted accounting principles or otherwise, as such term is used in paragraph (b)(5)(i) of the Rule and specified in Section 3(b) of this Disclosure Agreement.

“Certification” means a written certification of compliance signed by the Disclosure Representative stating that the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure delivered to the Disclosure Dissemination Agent is the Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure required to be submitted, or voluntarily submitted, as the case may be, to the MSRB under this Disclosure Agreement. A Certification shall accompany each such document submitted to the Disclosure Dissemination Agent by the County and include the full name of the Warrants and the 9-digit CUSIP numbers for all Warrants to which the document applies.

“Disclosure Dissemination Agent” means Digital Assurance Certification, L.L.C, acting in its capacity as Disclosure Dissemination Agent hereunder, or any successor Disclosure Dissemination Agent designated in writing by the County pursuant to Section 9 hereof.

“Disclosure Representative” means the Chief Financial Officer of the County, or his or her designee, or such other person as the County shall designate in writing to the Disclosure Dissemination Agent from time to time as the person responsible for providing Information to the Disclosure Dissemination Agent.

“Failure to File Event” means the County’s failure to file an Annual Report on or before the Annual Filing Date.

“Force Majeure Event” means: (i) acts of God, war, or terrorist action; (ii) failure or shut-down of the Electronic Municipal Market Access system maintained by the MSRB; or (iii) to the extent beyond the Disclosure Dissemination Agent’s reasonable control, interruptions in telecommunications or utilities services, failure, malfunction or error of any telecommunications, computer or other electrical, mechanical or technological application, service or system, computer virus, interruptions in Internet service or telephone service (including due to a virus, electrical delivery problem or similar occurrence) that affect Internet users generally, or in the local area in which the Disclosure Dissemination Agent or the MSRB is located, or acts of any government, regulatory or any other competent authority the effect of which is to prohibit the Disclosure Dissemination Agent from performance of its obligations under this Disclosure Agreement.

“Holder” means any person (a) having the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Warrants (including persons holding Warrants through nominees, depositories or other intermediaries) or (b) treated as the owner of any Warrants for federal income tax purposes.

“Information” means, collectively, the Annual Reports, the Audited Financial Statements (if any), the Notice Event notices, the Failure to File Event notices, the Voluntary Event Disclosures and the Voluntary Financial Disclosures.

“MSRB” means the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934.

“Notice Event” means any of the events listed in Section 4(a) of this Disclosure Agreement.

“Obligated Person” means the County.

“Official Statement” means the Official Statement, dated _____, 2013, prepared by the County in connection with the Warrants.

“Trustee” means Wells Fargo Bank, National Association, or its successor as Trustee under the Trust Indenture dated [December 1, 2013], between the County and the Trustee.

“Voluntary Event Disclosure” means information of the category specified in any of subsections (e)(vi)(1) through (e)(vi)(11) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(a) of this Disclosure Agreement.

“Voluntary Financial Disclosure” means information of the category specified in any of subsections (e)(vii)(1) through (e)(vii)(9) of Section 2 of this Disclosure Agreement that is accompanied by a Certification of the Disclosure Representative containing the information prescribed by Section 7(b) of this Disclosure Agreement.

“Warrants” means the Warrants as listed on the attached Exhibit A, with the 9-digit CUSIP numbers relating thereto.

SECTION 2. Provision of Annual Reports.

(a) The County shall provide, annually, an electronic copy of the Annual Report and Certification to the Disclosure Dissemination Agent, together with a copy for the Trustee, not later than two (2) business days prior to the Annual Filing Date. Promptly upon receipt of an electronic copy of the Annual Report and the Certification, the Disclosure Dissemination Agent shall provide an Annual Report to the MSRB not later than 270 days after the end of each fiscal year of the County, commencing with the fiscal year ending September 30, 2014. Such date and each anniversary thereof is the Annual Filing Date. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 3 of this Disclosure Agreement.

(b) If on the fifteenth (15th) day prior to the Annual Filing Date, the Disclosure Dissemination Agent has not received a copy of the Annual Report and Certification, the Disclosure Dissemination Agent shall contact the Disclosure Representative by telephone and in writing (which may be by e-mail) to remind the County of its undertaking to provide the Annual Report pursuant to Section 2(a). Upon such reminder, the Disclosure Representative shall either (i) provide the Disclosure Dissemination Agent with an electronic copy of the Annual Report and the Certification no later than two (2) business days prior to the Annual Filing Date, or (ii) instruct the Disclosure Dissemination Agent in writing that the County will not be able to file the Annual Report within the time required under this Disclosure Agreement, state the date by which the Annual Report for such year will be provided and instruct the Disclosure Dissemination Agent that a Failure to File Event has occurred and to immediately send a notice to the MSRB in substantially the form attached as Exhibit B, filed in the manner required by the MSRB.

(c) If the Disclosure Dissemination Agent has not received an Annual Report and Certification by 6:00 p.m. Eastern time on the Annual Filing Date (or, if such Annual Filing Date falls on a Saturday, Sunday or holiday, then the first business day thereafter) for the Annual Report, a Failure to File Event shall have occurred and the County irrevocably directs the Disclosure Dissemination Agent to immediately send a notice to the MSRB in substantially the form attached as Exhibit B without reference to the anticipated filing date for the Annual Report, filed in the manner required by the MSRB, and simultaneously notify the Disclosure Representative of the same.

(d) If Audited Financial Statements of the County are prepared but not available prior to the Annual Filing Date, the County shall, when the Audited Financial Statements are available, provide in a timely manner an electronic copy to the Disclosure Dissemination Agent, accompanied by a Certification, together with a copy for the Trustee, for filing with the MSRB.

(e) The Disclosure Dissemination Agent shall:

- (i) verify the filing specifications of the MSRB each year prior to the Annual Filing Date;
- (ii) upon receipt, promptly file each Annual Report received under Sections 2(a) and 2(b) with the MSRB;
- (iii) upon receipt, promptly file each Audited Financial Statement received under Section 2(d) with the MSRB;
- (iv) upon receipt, promptly file the text of each Notice Event received under Sections 4(a) and 4(b)(ii) with the MSRB, identifying the Notice Event as instructed by the County pursuant to Section 4(a) or 4(b)(ii) when filing pursuant to Section 4(c) of this Disclosure Agreement;
- (v) upon receipt (or irrevocable direction pursuant to Section 2(c) of this Disclosure Agreement, as applicable), promptly file a completed copy of Exhibit B to this Disclosure Agreement with the MSRB, identifying the filing as "Failure to provide annual financial information as required" when filing pursuant to Section 2(b)(ii) or Section 2(c) of this Disclosure Agreement;
- (vi) upon receipt, promptly file the text of each Voluntary Event Disclosure received under Section 7(a) with the MSRB, identifying the Voluntary Event Disclosure as instructed by the County pursuant to Section 7(a) (being any of the categories set forth below) when filing pursuant to Section 7(a) of this Disclosure Agreement:
 1. "amendment to continuing disclosure undertaking;"
 2. "change in obligated person;"
 3. "notice to investors pursuant to bond documents;"
 4. "certain communications from the Internal Revenue Service;"

5. “secondary market purchases;”
6. “bid for auction rate or other securities;”
7. “capital or other financing plan;”
8. “litigation/enforcement action;”
9. “change of tender agent, remarketing agent, or other on-going party;”
10. “derivative or other similar transaction;” and
11. “other event-based disclosures;”

(vii) upon receipt, promptly file the text of each Voluntary Financial Disclosure received under Section 7(b) with the MSRB, identifying the Voluntary Financial Disclosure as instructed by the County pursuant to Section 7(b) (being any of the categories set forth below) when filing pursuant to Section 7(b) of this Disclosure Agreement:

1. “quarterly/monthly financial information;”
2. “change in fiscal year/timing of annual disclosure;”
3. “change in accounting standard;”
4. “interim/additional financial information/operating data;”
5. “budget;”
6. “investment/debt/financial policy;”
7. “information provided to rating agency, credit/liquidity provider or other third party;”
8. “consultant reports;” and
9. “other financial/operating data.”

(viii) provide the County evidence of the filings of each of the above when made, which shall be by means of the DAC system, for so long as DAC is the Disclosure Dissemination Agent under this Disclosure Agreement.

(f) The County may adjust the Annual Filing Date upon change of its fiscal year by providing written notice of such change and the new Annual Filing Date to the Disclosure Dissemination Agent, Trustee (if any) and the MSRB, provided that the period between the existing Annual Filing Date and new Annual Filing Date shall not exceed one year.

(g) Any Information received by the Disclosure Dissemination Agent before 6:00 p.m. Eastern time on any business day that it is required to file with the MSRB pursuant to the terms of this Disclosure Agreement and that is accompanied by a Certification and all other information required by the terms of this Disclosure Agreement will be filed by the Disclosure Dissemination Agent with the MSRB no later than 11:59 p.m. Eastern time on the same business day; provided, however, the Disclosure Dissemination Agent shall have no liability for any delay in filing with the MSRB if such delay is caused by a Force Majeure Event provided that the Disclosure Dissemination Agent uses reasonable efforts to make any such filing as soon as possible.

SECTION 3. Content of Annual Reports.

(a) Each Annual Report shall contain Annual Financial Information consisting of information of the type provided in the Official Statement (to the extent not included in the Audited Financial Statements) under the headings: "JEFFERSON COUNTY SEWER SYSTEM – Description of the System" (concerning residential and non-residential accounts, accounts billed by the County, The Water Works Board of the City of Birmingham (Alabama) and Bessemer Utilities (acting as a department of the City of Bessemer, Alabama), rates and charges (excluding the national rate survey), billing determinants, and utilization data), “– Certain Financial Information Concerning the System,” “– Capital Improvement Program,” “– Major Customers,” and “– Sewer Tax.”

(b) Audited Financial Statements will accompany the Annual Report. If Audited Financial Statements are not available, then unaudited financial statements will accompany the Annual Report and Audited Financial Statements, when available, will be provided pursuant to Section 2(d).

Any or all of the items listed above may be included by specific reference from other documents, including official statements of debt issues with respect to which the County is an “obligated person” (as defined by the Rule), which have been previously filed with the Securities and Exchange Commission or available on the MSRB Internet Website. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County will clearly identify each such document so incorporated by reference.

SECTION 4. Reporting of Notice Events.

(a) The occurrence of any of the following events with respect to the Warrants constitutes a Notice Event:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Warrants, or other material events affecting the tax status of the Warrants;
7. Modifications to rights of Bond holders, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Warrants, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Obligated Person;

Note to subsection (a)(12) of this Section 4: For the purposes of the event described in subsection (a)(12) of this Section 4, the event is considered to occur when any of the

following occur: the appointment of a receiver, fiscal agent or similar officer for an Obligated Person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Obligated Person.

13. The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

The County shall, in a timely manner not in excess of ten business days after its occurrence, notify the Disclosure Dissemination Agent in writing of the occurrence of a Notice Event. Such notice shall instruct the Disclosure Dissemination Agent to report the occurrence pursuant to subsection (c) and shall be accompanied by a Certification. Such notice or Certification shall identify the Notice Event that has occurred, include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(b) The Disclosure Dissemination Agent is under no obligation to notify the County or the Disclosure Representative of an event that may constitute a Notice Event, other than an event described in Section 2(c). In the event the Disclosure Dissemination Agent so notifies the Disclosure Representative, the Disclosure Representative will within two business days of receipt of such notice (but in any event not later than the tenth business day after the occurrence of the Notice Event, if the County determines that a Notice Event has occurred), instruct the Disclosure Dissemination Agent that (i) a Notice Event has not occurred and no filing is to be made or (ii) a Notice Event has occurred and the Disclosure Dissemination Agent is to report the occurrence pursuant to subsection (c) of this Section 4. In the event a Notice Event has occurred, the instruction by the County shall be accompanied by a Certification, which shall identify the Notice Event that has occurred, include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information (provided that such date is not later than the tenth business day after the occurrence of the Notice Event).

(c) If the Disclosure Dissemination Agent has been instructed by the County as prescribed in subsection (a) or (b)(ii) of this Section 4 to report the occurrence of a Notice Event, the Disclosure Dissemination Agent shall promptly file a notice of such occurrence with MSRB in accordance with Section 2 (e)(iv) hereof, filed in the manner required by the MSRB.

SECTION 5. CUSIP Numbers; Other Identifying Information. Whenever providing information to the Disclosure Dissemination Agent, including but not limited to Annual Reports, documents incorporated by reference to the Annual Reports, Audited Financial Statements, Notice Event notices, Failure to File Event notices, Voluntary Event Disclosures and Voluntary Financial Disclosures, the County shall indicate the full name of the Warrants and the 9-digit CUSIP numbers for the Warrants as to which the provided information relates, and otherwise shall be accompanied by identifying information as prescribed by the MSRB.

SECTION 6. Additional Disclosure Obligations. The County acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the County, and that the duties and responsibilities of the Disclosure

Dissemination Agent under this Disclosure Agreement do not extend to providing legal advice regarding such laws. The County acknowledges and understands that the duties of the Disclosure Dissemination Agent relate exclusively to execution of the mechanical tasks of disseminating information as described in this Disclosure Agreement.

SECTION 7. Voluntary Filing.

(a) The County may instruct the Disclosure Dissemination Agent to file a Voluntary Event Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Event Disclosure, include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the County as prescribed in this Section 7(a) to file a Voluntary Event Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Event Disclosure with the MSRB in accordance with Section 2(e)(vi) hereof, filed in the manner required by the MSRB.

(b) The County may instruct the Disclosure Dissemination Agent to file a Voluntary Financial Disclosure with the MSRB from time to time pursuant to a Certification of the Disclosure Representative. Such Certification shall identify the Voluntary Financial Disclosure, include the text of the disclosure that the County desires to make, contain the written authorization of the County for the Disclosure Dissemination Agent to disseminate such information, and identify the date the County desires for the Disclosure Dissemination Agent to disseminate the information. If the Disclosure Dissemination Agent has been instructed by the County as prescribed in this Section 7(b) to file a Voluntary Financial Disclosure, the Disclosure Dissemination Agent shall promptly file such Voluntary Financial Disclosure with the MSRB in accordance with Section 2(e)(vii) hereof, filed in the manner required by the MSRB.

(c) The parties hereto acknowledge that the County is not obligated pursuant to the terms of this Disclosure Agreement to file any Voluntary Event Disclosure pursuant to Section 7(a) hereof or any Voluntary Financial Disclosure pursuant to Section 7(b) hereof.

(d) Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information through the Disclosure Dissemination Agent using the means of dissemination set forth in this Disclosure Agreement or including any other information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure, in addition to that required or otherwise submitted pursuant to this Disclosure Agreement. If the County chooses to include any information in any Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report, Audited Financial Statements, Notice Event notice, Failure to File Event notice, Voluntary Event Disclosure or Voluntary Financial Disclosure.

SECTION 8. Termination of Reporting Obligation. The obligations of the County and the Disclosure Dissemination Agent under this Disclosure Agreement shall terminate with respect to each series of the Warrants upon the legal defeasance, prior redemption or payment in full of all of the Warrants of such series, when the County is no longer the Obligated Person with respect to the Warrants, or upon delivery by the Disclosure Representative to the Disclosure Dissemination Agent of an opinion of counsel expert in federal securities laws to the effect that continuing disclosure with respect to the Warrants is no longer required.

SECTION 9. Disclosure Dissemination Agent. The County has appointed Digital Assurance Certification, L.L.C. as exclusive Disclosure Dissemination Agent under this Disclosure Agreement. The County may, upon thirty days written notice to the Disclosure Dissemination Agent and the Trustee, replace or appoint a successor Disclosure Dissemination Agent. Upon termination of DAC's services as Disclosure Dissemination Agent, whether by notice of the County or DAC, the County agrees to appoint a successor Disclosure Dissemination Agent or, alternately, agrees to assume all responsibilities of Disclosure Dissemination Agent under this Disclosure Agreement for the benefit of the Holders of the Warrants. Notwithstanding any replacement or appointment of a successor, the County shall remain liable until payment in full for any and all sums owed and payable to the Disclosure Dissemination Agent. The Disclosure Dissemination Agent may resign at any time by providing thirty days' prior written notice to the County.

SECTION 10. Remedies in Event of Default. In the event of a failure of the County or the Disclosure Dissemination Agent to comply with any provision of this Disclosure Agreement, the Holders' rights to enforce the provisions of this Agreement shall be limited solely to a right, by action in mandamus or for specific performance, to compel performance of the parties' obligation under this Disclosure Agreement. Any failure by a party to perform in accordance with this Disclosure Agreement shall not constitute a default on the Warrants or under any other document relating to the Warrants, and all rights and remedies shall be limited to those expressly stated herein.

SECTION 11. Duties, Immunities and Liabilities of Disclosure Dissemination Agent.

(a) The Disclosure Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. The Disclosure Dissemination Agent's obligation to deliver the information at the times and with the contents described herein shall be limited to the extent the County has provided such information to the Disclosure Dissemination Agent as required by this Disclosure Agreement. The Disclosure Dissemination Agent shall have no duty with respect to the content of any disclosures or notice made pursuant to the terms hereof. The Disclosure Dissemination Agent shall have no duty or obligation to review or verify any Information or any other information, disclosures or notices provided to it by the County and shall not be deemed to be acting in any fiduciary capacity for the County, the Holders of the Warrants or any other party. The Disclosure Dissemination Agent shall have no responsibility for the County's failure to report to the Disclosure Dissemination Agent a Notice Event or a duty to determine the materiality thereof. The Disclosure Dissemination Agent shall have no duty to determine, or liability for failing to determine, whether the County has complied with this Disclosure Agreement. The Disclosure Dissemination Agent may conclusively rely upon Certifications of the County at all times.

The foregoing provisions of this Section 11(a) shall survive resignation or removal of the Disclosure Dissemination Agent and defeasance, redemption or payment of the Warrants.

(b) The Disclosure Dissemination Agent may, from time to time, consult with legal counsel (either in-house or external) of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or its respective duties hereunder, and shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel. The reasonable fees and expenses of such counsel shall be payable by the County.

(c) All documents, reports, notices, statements, information and other materials provided to the MSRB under this Agreement shall be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

SECTION 12. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the County and the Disclosure Dissemination Agent may amend this Disclosure Agreement or waive any provision of this Disclosure Agreement, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws acceptable to both the County and the Disclosure Dissemination Agent to the effect that such amendment or waiver is in connection with a change in circumstances that arises from a change in legal requirements or change in law and does not materially impair the interests of Holders of the Warrants and would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstances; provided neither the County or the Disclosure Dissemination Agent shall be obligated to agree to any amendment or waiver modifying their respective duties or obligations without their consent thereto.

Notwithstanding the preceding paragraph, the Disclosure Dissemination Agent shall have the right to adopt amendments to this Disclosure Agreement necessary to comply with modifications to and interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission from time to time by giving not less than 20 days written notice of the intent to do so together with a copy of the proposed amendment to the County. No such amendment shall become effective if the County shall, within 10 days following the giving of such notice, send a notice to the Disclosure Dissemination Agent in writing that it objects to such amendment.

SECTION 13. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the County, the Trustee of the Warrants, the Disclosure Dissemination Agent, the underwriter, and the Holders from time to time of the Warrants, and shall create no rights in any other person or entity.

SECTION 14. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Florida (other than with respect to conflicts of laws).

SECTION 15. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Remainder of page intentionally left blank.]

The Disclosure Dissemination Agent and the County have caused this Continuing Disclosure Agreement to be executed, on the date first written above, by their respective officers duly authorized.

DIGITAL ASSURANCE CERTIFICATION, L.L.C., as
Disclosure Dissemination Agent

By: _____
Name: _____
Title: _____

JEFFERSON COUNTY, ALABAMA
as County

By: _____
Name: _____
Title: _____

EXHIBIT A

NAME AND CUSIP NUMBERS OF WARRANTS

Name of Issuer: Jefferson County, Alabama
Name of Bond Issue: Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A
Date of Issuance: _____, 2013
Date of Official Statement _____, 2013

| | | | |
|---------------|-------|---------------|-------|
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |

Name of Issuer: Jefferson County, Alabama
Name of Bond Issue: Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B
Date of Issuance: _____, 2013
Date of Official Statement _____, 2013

| | | | |
|---------------|-------|---------------|-------|
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |

Name of Issuer: Jefferson County, Alabama
Name of Bond Issue: Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C
Date of Issuance: _____, 2013
Date of Official Statement _____, 2013

| | | | |
|---------------|-------|---------------|-------|
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |

Name of Issuer: Jefferson County, Alabama
Name of Bond Issue: Subordinate Lien Sewer Revenue Current Interest Warrants,
Series 2013-D
Date of Issuance: _____, 2013
Date of Official Statement _____, 2013

| | | | |
|---------------|-------|---------------|-------|
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |

Name of Issuer: Jefferson County, Alabama
Name of Bond Issue: Subordinate Lien Sewer Revenue Capital Appreciation Warrants,
Series 2013-E
Date of Issuance: _____, 2013
Date of Official Statement _____, 2013

| | | | |
|---------------|-------|---------------|-------|
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |

Name of Issuer: Jefferson County, Alabama
Name of Bond Issue: Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants,
Series 2013-F
Date of Issuance: _____, 2013
Date of Official Statement _____, 2013

| | | | |
|---------------|-------|---------------|-------|
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |
| CUSIP Number: | _____ | CUSIP Number: | _____ |

EXHIBIT B

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Issuer: Jefferson County, Alabama

Name(s) of Bond Issue(s): _____ Lien Sewer Revenue _____ Warrants, Series 2013-[]

Date(s) of Issuance: _____, 2013

Date(s) of Disclosure Agreement: _____, 2013

CUSIP Number: _____

NOTICE IS HEREBY GIVEN that the County has not provided an Annual Report with respect to the above-named Warrants as required by the Disclosure Agreement between the County and Digital Assurance Certification, L.L.C., as Disclosure Dissemination Agent. [The County has notified the Disclosure Dissemination Agent that it anticipates that the Annual Report will be filed by _____.]

Dated: _____

Digital Assurance Certification, L.L.C., as Disclosure
Dissemination Agent, on behalf of the County

cc: _____
[Disclosure Representative]

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX J

FORM OF APPROVAL OPINION OF BOND COUNSEL

(Letterhead of Balch & Bingham LLP, Bond Counsel)

(Date)

Holders of the Warrants referred to below

Re: [\$Amount] Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A, [\$Amount] Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B, [\$Amount] Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C, [\$Amount] Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D, [\$Amount] Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E, and [\$Amount] Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F, issued by Jefferson County, Alabama

Ladies and Gentlemen:

We have acted as bond counsel to Jefferson County, Alabama, a political subdivision of the State of Alabama (the “Issuer”), in connection with the issuance of (i) [\$Amount] aggregate principal amount of Senior Lien Sewer Revenue Current Interest Warrants, Series 2013-A (the “Series 2013-A Warrants”), (ii) [\$Amount] aggregate principal amount of Senior Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-B (the “Series 2013-B Warrants”), (iii) [\$Amount] aggregate principal amount of Senior Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-C (the “Series 2013-C Warrants”), (iv) [\$Amount] aggregate principal amount of Subordinate Lien Sewer Revenue Current Interest Warrants, Series 2013-D (the “Series 2013-D Warrants”), (v) [\$Amount] aggregate principal amount of Subordinate Lien Sewer Revenue Capital Appreciation Warrants, Series 2013-E (the “Series 2013-E Warrants”), and (vi) [\$Amount] aggregate principal amount of Subordinate Lien Sewer Revenue Convertible Capital Appreciation Warrants, Series 2013-F (the “Series 2013-F Warrants” and, together with the Series 2013-A Warrants, the Series 2013-B Warrants, the Series 2013-C Warrants, the Series 2013-D Warrants, and the Series 2013-E Warrants, the “Warrants”). In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

The Warrants are issued pursuant to Title 11, Chapter 28 of the Code of Alabama 1975 (the “Enabling Law”) and that certain Trust Indenture dated [December 1, 2013] between the Issuer and Wells Fargo Bank, National Association, as trustee (the “Indenture”). Pursuant to the Indenture, the Issuer has pledged all revenues collected from the ownership or operation of the sanitary sewer system owned and operated by the Issuer (the “System Revenues”) for the payment of principal of, premium (if any) and interest, whether accrued or accreted, on the Warrants when due.

Regarding questions of fact material to our opinion, we have relied on the representations of the Issuer contained in the Indenture, and in the certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The Issuer is validly existing as a political subdivision of the State of Alabama with the power to enter into the Indenture, perform the agreements on its part contained therein, and issue the Warrants.
2. The Indenture has been duly authorized by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable against the Issuer.

3. The Warrants have been duly authorized and executed by the Issuer, and are valid and binding limited obligations of the Issuer, payable solely from the System Revenues and other funds provided therefor in the Indenture.

4. Interest on the Warrants is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; however, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the Issuer complies with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Warrants in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements may cause interest on the Warrants to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Warrants.

5. Interest on the Warrants is exempt from income taxation in the State of Alabama.

The rights of the owners of the Warrants and the enforceability of the Warrants and the Indenture are limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement relating to the Warrants or regarding any federal bankruptcy court proceedings involving the Issuer. Further, we express no opinion regarding tax consequences arising with respect to the Warrants other than as expressly set forth herein.

This opinion is limited to the matters stated herein, and no opinion may be implied or inferred beyond the matters expressly stated herein. This opinion is given as of the date hereof, and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances which may change or which may hereafter come to our attention or to reflect any changes in the law that may hereafter occur.

Very truly yours,

APPENDIX K

**AUDITED FINANCIAL STATEMENTS OF THE COUNTY AS OF AND FOR THE FISCAL YEAR
ENDED SEPTEMBER 30, 2012**

[THIS PAGE INTENTIONALLY LEFT BLANK]

JEFFERSON COUNTY COMMISSION
AUDITED FINANCIAL STATEMENTS
SEPTEMBER 30, 2012

CONTENTS

| | Page |
|--|------|
| INDEPENDENT AUDITORS' REPORT | 4 |
| BASIC FINANCIAL STATEMENTS | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS | |
| Statement of Net Assets | 7 |
| Statement of Activities | 9 |
| FUND FINANCIAL STATEMENTS | |
| Balance Sheet - Governmental Funds | 10 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets | 11 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | 12 |
| Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 13 |
| Statement of Net Assets - Proprietary Funds | 14 |
| Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds | 16 |
| Statement of Cash Flows - Proprietary Funds | 17 |
| Statement of Fiduciary Net Assets - Agency Fund | 19 |
| NOTES TO FINANCIAL STATEMENTS | 20 |

CONTENTS

| | Page |
|--|------|
| REQUIRED SUPPLEMENTARY INFORMATION | |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund (Unaudited) | 142 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Limited Obligation School Fund (Unaudited) | 143 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Indigent Care Fund (Unaudited) | 144 |
| Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Bridge and Public Building Fund (Unaudited) | 145 |
| Schedule of Funding Progress - Defined Benefit Pension Plan and Other Postemployment Benefits Plan (Unaudited) | 146 |
| SUPPLEMENTARY INFORMATION | |
| Combining Balance Sheet - Nonmajor Governmental Funds | 148 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds | 149 |
| Combining Statement of Net Assets - Nonmajor Enterprise Funds | 150 |
| Combining Statement of Revenues, Expenses and Changes in Net Assets - Nonmajor Enterprise Funds | 152 |
| Combining Statement of Cash Flows - Nonmajor Enterprise Funds | 153 |
| Statement of Changes in Assets and Liabilities - Agency Fund | 155 |
| ADDITIONAL INFORMATION | |
| Commission Members and Administrative Personnel (Unaudited) | 157 |

INDEPENDENT AUDITORS' REPORT

October 7, 2013

To the Commissioners
Jefferson County Commission
Birmingham, Alabama

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Jefferson County Commission (the Commission) as of and for the year ended September 30, 2012, which collectively comprise the Commission's basic financial statements as listed in the contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Jefferson County Economic and Industrial Development Authority (the Development Authority), a blended component unit, which represent less than one percent of the assets, net assets and revenues of the business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Development Authority, is based solely on the report of the other auditors.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of the other auditors provide a reasonable basis for our opinions.

As discussed in Note E, we were unable to obtain a valuation of certain capital assets donated to the Commission related to sewer infrastructure of new subdivisions, and we were unable to satisfy ourselves about the values of such donated assets through alternative procedures.

To the Commissioners
Jefferson County Commission
October 7, 2013

In our opinion, based on our audit and the report of the other auditors, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain the valuation of certain donated capital assets, as discussed in the preceding paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Jefferson County Commission as of September 30, 2012, and the respective changes in financial position and cash flows, where applicable, as of and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Commission will continue as a going concern. As discussed in Notes J, K and V to the financial statements, during the year ended September 30, 2009, and subsequent years, the Commission received Notices and Events of Default from indenture trustees and certain banks for certain debt obligations and has been unable to meet its accelerated debt service obligations as they become due. In addition, as discussed in Note W to the financial statements, the Commission filed a petition for relief under Chapter 9 of the United States Bankruptcy Code on November 9, 2011, in the United States Bankruptcy Court for the Northern District of Alabama. While the terms of the outstanding warrants payable may ultimately be restructured with the creditors through the Bankruptcy Case, under the current Events of Default and potential cross-defaults, these obligations would be due and payable on an accelerated basis but for the Commission's Bankruptcy Case. Therefore, the outstanding warrants payable and related accounts have been classified as current liabilities in the accompanying financial statements. As discussed in Note S, court rulings have resulted in the effective repeal of certain occupational taxes and business license fees, which have historically comprised significant revenues to the Commission. It is not possible, at this time, to predict the ultimate outcome resulting from the loss of these revenues. These conditions raise substantial doubt about the Commission's ability to continue as a going concern without the restructuring of debt or other significant reorganization activities. Management's plans regarding those matters are described in Notes U and W to the financial statements. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

As discussed in Notes U and W to the financial statements, the Commission has been granted relief under the provisions of Chapter 9 of the United States Bankruptcy Code. Currently, representatives of the Commission are negotiating with creditors to restructure the Commission's outstanding obligations through a Chapter 9 plan of adjustment of debts. As a result, the Commission has filed with the Bankruptcy Court its *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (dated July 19, 2013)* (the Plan of Adjustment). The effectiveness of the Plan of Adjustment is subject to several conditions, including its confirmation and approval by the Bankruptcy Court. The Bankruptcy Court has scheduled a hearing to begin on November 12, 2013, at which time the Bankruptcy Court is expected to hear and consider whether to confirm the Plan of Adjustment in accordance with the provisions of Chapter 9. It is possible that the Plan of Adjustment may not be confirmed or, if confirmed, that certain conditions to the Plan of Adjustment's effectiveness may not be satisfied. It is also possible that the Plan of Adjustment may be amended, revised or withdrawn by the Commission prior to the November 12, 2013, confirmation hearing. Therefore, these financial statements do not include any adjustments or reclassifications that might result from the confirmation or consummation of the Plan of Adjustment or that might otherwise result from the Bankruptcy Case. See Note W for further discussion of the Plan of Adjustment.

To the Commissioners
Jefferson County Commission
October 7, 2013

Accounting principles generally accepted in the United States of America for state and local governments require that the budgetary comparison information on pages 142 through 145 and the schedule of funding progress - defined benefit pension plan and other postemployment benefits plan on page 146 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The Commission has not presented management's discussion and analysis that the GASB has determined is necessary to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by GASB who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The combining and individual nonmajor fund financial statements, included in the supplementary information section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States by us and the other auditors. In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to obtain the valuation of certain donated capital assets, as discussed previously, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Warren Averett, LLC

Birmingham, Alabama

**JEFFERSON COUNTY COMMISSION
STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012
(IN THOUSANDS)**

| ASSETS | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|--------------|
| Current Assets | | | |
| Cash and investments | \$ 140,707 | \$ 18,792 | \$ 159,499 |
| Patient accounts receivable, net | - | 3,966 | 3,966 |
| Estimated third-party payor settlements | - | 191 | 191 |
| Accounts receivable, net | 8,794 | 19,113 | 27,907 |
| Loans receivable, net | 1,831 | - | 1,831 |
| Taxes receivable, net | 132,006 | 5,064 | 137,070 |
| Other receivables | - | 4,401 | 4,401 |
| Due from (to) other governments | 14,944 | 518 | 15,462 |
| Inventories | - | 981 | 981 |
| Prepaid expenses and other current assets | 416 | 33 | 449 |
| Deferred charges - issuance costs | 11,126 | 43,667 | 54,793 |
| Restricted assets - current | 178,004 | 173,523 | 351,527 |
| | <hr/> | <hr/> | <hr/> |
| Total Current Assets | 487,828 | 270,249 | 758,077 |
| Noncurrent Assets | | | |
| Advances due from (to) other funds | 41,387 | (41,387) | - |
| Loans receivable, net | 20,276 | - | 20,276 |
| Restricted assets | 3,887 | 4,708 | 8,595 |
| Assets internally designated for capital improvements or redemption of warrants | - | 46,726 | 46,726 |
| Capital assets: | | | |
| Depreciable assets, net | 285,039 | 2,710,752 | 2,995,791 |
| Nondepreciable assets | 33,221 | 64,497 | 97,718 |
| | <hr/> | <hr/> | <hr/> |
| | 383,810 | 2,785,296 | 3,169,106 |
| | <hr/> | <hr/> | <hr/> |
| | \$ 871,638 | \$ 3,055,545 | \$ 3,927,183 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

See notes to financial statements.

| LIABILITIES AND NET ASSETS | Governmental Activities | Business-Type Activities | Total |
|--|------------------------------------|-------------------------------------|---------------------|
| Current Liabilities | | | |
| Accounts payable | \$ 27,501 | \$ 16,175 | \$ 43,676 |
| Deposits payable | 1,442 | - | 1,442 |
| Deferred/unearned revenue | 119,366 | 5,406 | 124,772 |
| Accrued wages and benefits | 3,496 | 1,156 | 4,652 |
| Accrued interest | 20,548 | 168,802 | 189,350 |
| Debt service costs | 7,894 | 104,726 | 112,620 |
| Retainage payable | 422 | 1,174 | 1,596 |
| Noncurrent liabilities - portion due or payable within one year: | | | |
| Capital lease obligations | 254 | 80 | 334 |
| Estimated liability for compensated absences | 6,395 | 2,524 | 8,919 |
| Estimated claims liability | 1,695 | 1,093 | 2,788 |
| Warrants payable | 1,060,450 | 3,107,933 | 4,168,383 |
| Add: Unamortized premiums | 29,977 | 6,109 | 36,086 |
| Less: Deferred loss on refunding | - | (258,324) | (258,324) |
| | <u>1,090,427</u> | <u>2,855,718</u> | <u>3,946,145</u> |
| Total Current Liabilities | 1,279,440 | 3,156,854 | 4,436,294 |
| Noncurrent Liabilities | | | |
| Capital lease obligations | 598 | 97 | 695 |
| Estimated liability for landfill closure and postclosure care costs | - | 10,369 | 10,369 |
| Estimated liability for other postemployment benefits | 5,355 | 3,008 | 8,363 |
| Estimated liability for compensated absences | 9,310 | 3,367 | 12,677 |
| Estimated litigation liability | 12,058 | - | 12,058 |
| Estimated claims liability | 3,003 | 2,034 | 5,037 |
| Warrants payable | - | - | - |
| | <u>1,309,764</u> | <u>3,175,729</u> | <u>4,485,493</u> |
| Total Liabilities | 1,309,764 | 3,175,729 | 4,485,493 |
| Net Assets (Deficit) | | | |
| Investment in capital assets, net of related debt | 275,379 | 53,866 | 329,245 |
| Restricted for: | | | |
| Debt service or capital improvements | - | 32,218 | 32,218 |
| Debt service | 137,064 | 34,186 | 171,250 |
| Closure and postclosure care | - | 2,440 | 2,440 |
| Other purposes | 97,835 | 1,789 | 99,624 |
| Unrestricted | (948,404) | (244,683) | (1,193,087) |
| | <u>\$ (438,126)</u> | <u>\$ (120,184)</u> | <u>\$ (558,310)</u> |

JEFFERSON COUNTY COMMISSION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(IN THOUSANDS)

| | Expenses | Indirect Expense Allocation | Program Revenues | | Net (Expenses) Revenues and Changes in Net Assets Primary Government | | Total |
|---|-------------------|-----------------------------------|-------------------------|--|--|-----------------------------|---------------------|
| | | | Charges for Services | Operating and Capital Grants and Contributions | Governmental Activities | Business-Type Activities | |
| Primary Government | | | | | | | |
| Governmental Activities: | | | | | | | |
| General government | \$ 127,804 | \$ (7,071) | \$ 28,021 | \$ 12,255 | \$ (80,457) | \$ - | \$ (80,457) |
| Public safety | 61,678 | 135 | 4,458 | 1,107 | (56,248) | - | (56,248) |
| Highways and roads | 20,581 | - | 167 | 1,412 | (19,002) | - | (19,002) |
| Health and welfare | 7 | - | - | 1,204 | 1,197 | - | 1,197 |
| Environmental services | - | - | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - | - | - |
| Education - other | 1 | - | - | - | (1) | - | (1) |
| Interest and fiscal charges | 48,662 | - | - | - | (48,662) | - | (48,662) |
| Total Governmental Activities | 258,733 | (6,936) | 32,646 | 15,978 | (203,173) | - | (203,173) |
| Business-Type Activities: | | | | | | | |
| Cooper Green Hospital | 85,712 | 6,926 | 34,711 | 868 | - | (57,059) | (57,059) |
| Economic and Industrial Development Authority | 894 | - | - | - | - | (894) | (894) |
| Nursing Home operations | 7,303 | - | 3,796 | - | - | (3,507) | (3,507) |
| Landfill operations | 2,174 | 10 | - | - | - | (2,184) | (2,184) |
| Sanitary operations | 315,741 | - | 153,011 | - | - | (162,730) | (162,730) |
| Total Business-Type Activities | 411,824 | 6,936 | 191,518 | 868 | - | (226,374) | (226,374) |
| Total Primary Government | \$ 670,557 | \$ - | \$ 224,164 | \$ 16,846 | (203,173) | (226,374) | (429,547) |
| General Revenues | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | 101,923 | 5,841 | 107,764 |
| Sales tax | | | | | 173,792 | - | 173,792 |
| Other taxes | | | | | 33,183 | - | 33,183 |
| Licenses and permits | | | | | 7,610 | - | 7,610 |
| Unrestricted investment earnings | | | | | 1,391 | 1,642 | 3,033 |
| Miscellaneous | | | | | 15,436 | 35,578 | 51,014 |
| Transfers | | | | | (52,140) | 52,140 | - |
| Total General Revenues and Transfers | | | | | 281,195 | 95,201 | 376,396 |
| Change in Net Assets | | | | | 78,022 | (131,173) | (53,151) |
| Net Assets (Deficit) - beginning of year, as previously reported | | | | | (511,396) | 41,080 | (470,316) |
| Prior Period Adjustments | | | | | (4,752) | (30,091) | (34,843) |
| Net Assets (Deficit) - beginning of year, as restated | | | | | (516,148) | 10,989 | (505,159) |
| Net Assets (Deficit) - end of year | | | | | \$ (438,126) | \$ (120,184) | \$ (558,310) |

See notes to financial statements.

**JEFFERSON COUNTY COMMISSION
BALANCE SHEET -
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2012
(IN THOUSANDS)**

| ASSETS | General Fund | Limited Obligation School Fund | Indigent Care Fund | Bridge and Public Building Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---|-------------------|--------------------------------------|-----------------------|---------------------------------------|-----------------------------------|--------------------------------|
| Cash and investments | \$ 87,824 | \$ - | \$ 84 | \$ 1,353 | \$ 51,446 | \$ 140,707 |
| Accounts receivable, net | 8,726 | - | - | - | 68 | 8,794 |
| Taxes receivable, net | 59,505 | 14,970 | 6,875 | 35,780 | - | 117,130 |
| Taxes receivable, net, highways and road: | 14,876 | - | - | - | - | 14,876 |
| Due from other governments | 5,293 | - | 549 | 423 | 5,494 | 11,759 |
| Loans receivable, net | 837 | - | - | - | 994 | 1,831 |
| Prepaid expenses and other current assets | 416 | - | - | - | - | 416 |
| Restricted assets | 2,192 | 158,367 | 1,695 | - | 19,637 | 181,891 |
| Advances due from (to) other funds | 24,747 | (21) | - | - | 16,661 | 41,387 |
| | <u>\$ 204,416</u> | <u>\$ 173,316</u> | <u>\$ 9,203</u> | <u>\$ 37,556</u> | <u>\$ 94,300</u> | <u>\$ 518,791</u> |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Liabilities | | | | | | |
| Accounts payable | \$ 24,771 | \$ - | \$ - | \$ - | \$ 2,730 | \$ 27,501 |
| Deposits payable | 1,442 | - | - | - | - | 1,442 |
| Deferred/unearned revenue | 78,237 | - | - | 37,556 | 388 | 116,181 |
| Accrued wages and benefits | 3,463 | - | - | - | 33 | 3,496 |
| Accrued interest | - | 811 | - | - | 13,103 | 13,914 |
| Debt service costs | - | - | - | - | 7,894 | 7,894 |
| Retainage payable | 347 | - | - | - | 75 | 422 |
| Estimated liability for compensated absence | 6,395 | - | - | - | - | 6,395 |
| Estimated claims liability | 1,695 | - | - | - | - | 1,695 |
| Total Liabilities | <u>116,350</u> | <u>811</u> | <u>-</u> | <u>37,556</u> | <u>24,223</u> | <u>178,940</u> |
| Fund Balances (Deficit) | | | | | | |
| Nonspendable | 16,646 | - | - | - | 16,800 | 33,446 |
| Restricted | 2,192 | 172,505 | 9,203 | - | 25,165 | 209,065 |
| Committed | 6,324 | 4 | - | - | 15,468 | 21,796 |
| Assigned | 33,861 | - | - | - | 46,501 | 80,362 |
| Unassigned | 29,043 | (4) | - | - | (33,857) | (4,818) |
| | <u>88,066</u> | <u>172,505</u> | <u>9,203</u> | <u>-</u> | <u>70,077</u> | <u>339,851</u> |
| | <u>\$ 204,416</u> | <u>\$ 173,316</u> | <u>\$ 9,203</u> | <u>\$ 37,556</u> | <u>\$ 94,300</u> | <u>\$ 518,791</u> |

See notes to financial statements.

**JEFFERSON COUNTY COMMISSION
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
SEPTEMBER 30, 2012
(IN THOUSANDS)**

Total Fund Balances - Governmental Funds \$ 339,851

Amounts reported for governmental activities in the statement of net assets are different due to the following:

| | |
|---|---------------------|
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. These assets were added as net capital assets. | 318,260 |
| Receivables due from other governments related to grant reimbursements not received within one year are deferred (\$3,185,000) | - |
| Loans receivable are not available to pay for current-period expenditures and, therefore, are deferred in the funds. | 20,276 |
| Deferred amounts related to premiums on long-term liabilities are not reported in the funds. | (29,977) |
| Deferred amounts related to discounts and bond issuance cost on long-term liabilities are not reported in the funds. | 11,126 |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Those liabilities consist of: | |
| Warrants payable | (1,060,450) |
| Capital lease obligations | (852) |
| Accrued interest | (6,634) |
| Estimated liability for other postemployment benefits | (5,355) |
| Estimated liability for compensated absences | (9,310) |
| Estimated litigation liability | (12,058) |
| Estimated claims liability | (3,003) |
| Total long-term liabilities | (1,097,662) |
| Total Net Assets (Deficit) - Governmental Activities | \$ (438,126) |

See notes to financial statements.

JEFFERSON COUNTY COMMISSION
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(IN THOUSANDS)

| | General Fund | Limited Obligation School Fund | Indigent Care Fund | Bridge and Public Building Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|--|------------------|--------------------------------------|-----------------------|---------------------------------------|-----------------------------------|--------------------------------|
| Revenues | | | | | | |
| Taxes | \$ 97,758 | \$ 93,836 | \$ 46,020 | \$ 41,916 | \$ - | \$ 279,530 |
| Licenses and permits | 7,610 | - | - | - | - | 7,610 |
| Intergovernmental | 31,606 | - | - | 842 | 12,898 | 45,346 |
| Charges for services, net | 31,881 | - | - | - | 765 | 32,646 |
| Miscellaneous | 4,492 | - | 7 | - | 929 | 5,428 |
| Interest and investment income | 242 | 97 | 2 | 58 | 992 | 1,391 |
| | <u>173,589</u> | <u>93,933</u> | <u>46,029</u> | <u>42,816</u> | <u>15,584</u> | <u>371,951</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 104,372 | 153 | - | - | 5,821 | 110,346 |
| Public safety | 59,224 | - | - | - | 2,390 | 61,614 |
| Highway and roads | 14,792 | - | - | - | - | 14,792 |
| Health and welfare | - | - | - | - | 7 | 7 |
| Education - other | 1 | - | - | - | - | 1 |
| Capital outlay | 306 | - | - | - | 6,214 | 6,520 |
| Indirect expenses | (7,071) | - | - | - | 135 | (6,936) |
| Debt service: | | | | | | |
| Principal retirement | 54 | 32,515 | - | - | 4,130 | 36,699 |
| Interest and fiscal charges | 38 | 39,068 | - | - | 14,577 | 53,683 |
| | <u>171,716</u> | <u>71,736</u> | <u>-</u> | <u>-</u> | <u>33,274</u> | <u>276,726</u> |
| Excess (Deficiency) of Revenues over Expenditures | 1,873 | 22,197 | 46,029 | 42,816 | (17,690) | 95,225 |
| Other Financing Sources (Uses) | | | | | | |
| Sale of capital assets | 400 | - | - | - | 1,786 | 2,186 |
| Legal and insurance settlements | - | - | - | - | 8,475 | 8,475 |
| Transfers in | 15,456 | - | - | - | 31,479 | 46,935 |
| Transfers out | (9,042) | - | (46,262) | (42,816) | - | (98,120) |
| | <u>6,814</u> | <u>-</u> | <u>(46,262)</u> | <u>(42,816)</u> | <u>41,740</u> | <u>(40,524)</u> |
| Net Changes in Fund Balances | 8,687 | 22,197 | (233) | - | 24,050 | 54,701 |
| Fund Balances - beginning of year, as previously reported | 79,379 | 150,308 | 9,436 | - | 50,779 | 289,902 |
| Prior Period Adjustment | - | - | - | - | (4,752) | (4,752) |
| Fund Balances - beginning of year, as restated | <u>79,379</u> | <u>150,308</u> | <u>9,436</u> | <u>-</u> | <u>46,027</u> | <u>285,150</u> |
| Fund Balances - end of year | <u>\$ 88,066</u> | <u>\$ 172,505</u> | <u>\$ 9,203</u> | <u>\$ -</u> | <u>\$ 70,077</u> | <u>\$ 339,851</u> |

See notes to financial statements.

**JEFFERSON COUNTY COMMISSION
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(IN THOUSANDS)**

| | | |
|---|---------|------------------|
| Net Changes in Fund Balances - Governmental Funds | | \$ 54,701 |
| Amounts reported for governmental activities in the statement of activities are different due to the following: | | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$15,089,000) exceeded capital outlays (\$6,520,000) in the current period. | | (8,569) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds: | | |
| Change in noncurrent portion of loans receivable | | (1,294) |
| Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which repayments of principal exceeded amortization of debt-related items: | | |
| Amortization of bond premiums | 2,457 | |
| Amortization of bond issuance costs | (844) | |
| Arbitrage rebates | 3,040 | |
| Cancellation of capital lease obligations | 100 | |
| Repayments of principal - capital lease obligations | 54 | |
| Repayments of principal - warrants payable | 36,645 | 41,452 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds: | | |
| Decrease in noncurrent portion of accrued interest | 368 | |
| Increase in noncurrent portion of other postemployment benefits | (1,883) | |
| Decrease in noncurrent portion of compensated absences | 733 | |
| Increase in noncurrent portion of estimated litigation liability | (7,058) | |
| Increase in noncurrent portion of claims liability | (15) | (7,855) |
| Governmental funds report proceeds from the sale of capital assets as other financial sources. However, the statement of activities reports disposals, contributions and transfers of capital assets as gains or losses: | | |
| Loss on transfers of capital assets | (955) | |
| Gain on contributions of capital assets | 639 | |
| Net book value of disposed capital assets | (97) | (413) |
| Change in Net Assets - Governmental Activities | | \$ 78,022 |

See notes to financial statements.

JEFFERSON COUNTY COMMISSION
STATEMENT OF NET ASSETS -
PROPRIETARY FUNDS
SEPTEMBER 30, 2012
(IN THOUSANDS)

| ASSETS | Cooper Green Hospital Fund | Sanitary Operations Fund | Nonmajor Enterprise Funds | Total |
|--|----------------------------------|--------------------------------|---------------------------------|---------------------|
| Current Assets | | | | |
| Cash and investments | \$ 6,404 | \$ 7,414 | \$ 4,974 | \$ 18,792 |
| Patient accounts receivable, net | 3,432 | - | 534 | 3,966 |
| Accounts receivable, net | - | 18,833 | 280 | 19,113 |
| Other receivables | 4,401 | - | - | 4,401 |
| Estimated third-party payor settlements | 191 | - | - | 191 |
| Taxes receivable, net | - | 5,064 | - | 5,064 |
| Due from (to) other governments | - | 1,818 | (1,300) | 518 |
| Inventories | 979 | - | 2 | 981 |
| Prepaid expenses | 33 | - | - | 33 |
| Deferred charges - issuance costs | - | 43,666 | 1 | 43,667 |
| Restricted assets - current | - | 173,523 | - | 173,523 |
| Total Current Assets | 15,440 | 250,318 | 4,491 | 270,249 |
| Noncurrent Assets | | | | |
| Restricted assets | 1,789 | 56 | 2,863 | 4,708 |
| Assets internally designated for capital improvements or redemption of warrants | - | 46,726 | - | 46,726 |
| Advances due from (to) other funds | (6,926) | - | (34,461) | (41,387) |
| Capital assets: | | | | |
| Depreciable assets, net | 34,972 | 2,645,951 | 29,829 | 2,710,752 |
| Nondepreciable assets | 1,078 | 42,955 | 20,464 | 64,497 |
| | <u>30,913</u> | <u>2,735,688</u> | <u>18,695</u> | <u>2,785,296</u> |
| | <u>\$ 46,353</u> | <u>\$ 2,986,006</u> | <u>\$ 23,186</u> | <u>\$ 3,055,545</u> |

See notes to financial statements.

| LIABILITIES AND NET ASSETS | Cooper Green Hospital Fund | Sanitary Operations Fund | Nonmajor Enterprise Funds | Total |
|--|----------------------------------|--------------------------------|---------------------------------|---------------------|
| Current Liabilities | | | | |
| Accounts payable | \$ 7,797 | \$ 8,120 | \$ 258 | \$ 16,175 |
| Accrued wages and benefits | 721 | 382 | 53 | 1,156 |
| Accrued interest | - | 168,801 | 1 | 168,802 |
| Debt service costs | - | 104,726 | - | 104,726 |
| Retainage payable | - | 1,174 | - | 1,174 |
| Deferred/unearned revenue | - | 5,406 | - | 5,406 |
| Estimated claims liability | 577 | 450 | 66 | 1,093 |
| Estimated liability for compensated absences | 1,296 | 1,143 | 85 | 2,524 |
| Current portion of capital lease obligations | 80 | - | - | 80 |
| Warrants payable | - | 3,107,518 | 415 | 3,107,933 |
| Add: Unamortized premiums (discounts) | - | 6,110 | (1) | 6,109 |
| Less: Deferred loss on refunding | - | (258,322) | (2) | (258,324) |
| | <u>-</u> | <u>2,855,306</u> | <u>412</u> | <u>2,855,718</u> |
| Total Current Liabilities | 10,471 | 3,145,508 | 875 | 3,156,854 |
| Noncurrent Liabilities | | | | |
| Warrants payable | - | - | - | - |
| Capital lease obligations | 97 | - | - | 97 |
| Estimated liability for landfill closure and postclosure care costs | - | - | 10,369 | 10,369 |
| Estimated claims liability | 1,046 | 880 | 108 | 2,034 |
| Estimated liability for other postemployment benefits | 1,693 | 1,096 | 219 | 3,008 |
| Estimated liability for compensated absences | 1,553 | 1,720 | 94 | 3,367 |
| | <u>14,860</u> | <u>3,149,204</u> | <u>11,665</u> | <u>3,175,729</u> |
| Total Liabilities | 14,860 | 3,149,204 | 11,665 | 3,175,729 |
| Net Assets (Deficit) | | | | |
| Invested in capital assets, net of related debt | 35,871 | (15,192) | 33,187 | 53,866 |
| Restricted for: | | | | |
| Debt service or capital improvements | - | 32,218 | - | 32,218 |
| Debt service | - | 33,763 | 423 | 34,186 |
| Closure and postclosure care | - | - | 2,440 | 2,440 |
| Other purposes | 1,789 | - | - | 1,789 |
| Unrestricted | (6,167) | (213,987) | (24,529) | (244,683) |
| | <u>\$ 31,493</u> | <u>\$ (163,198)</u> | <u>\$ 11,521</u> | <u>\$ (120,184)</u> |

JEFFERSON COUNTY COMMISSION
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(IN THOUSANDS)

| | Cooper Green Hospital Fund | Sanitary Operations Fund | Nonmajor Enterprise Funds | Total |
|---|----------------------------------|--------------------------------|---------------------------------|---------------------|
| Operating Revenues | | | | |
| Taxes | \$ - | \$ 5,841 | \$ - | \$ 5,841 |
| Intergovernmental | - | 104 | - | 104 |
| Charges for services, net | 25,433 | 152,907 | 3,796 | 182,136 |
| Other operating revenue | 9,278 | 678 | 1,359 | 11,315 |
| | <u>34,711</u> | <u>159,530</u> | <u>5,155</u> | <u>199,396</u> |
| Operating Expenses | | | | |
| Salaries | 30,104 | 17,807 | 2,695 | 50,606 |
| Employee benefits and payroll taxes | 7,700 | 6,186 | 897 | 14,783 |
| Materials and supplies | 15,861 | 3,959 | 543 | 20,363 |
| Utilities | 1,713 | 8,142 | 796 | 10,651 |
| Outside services | 9,151 | 20,886 | 1,622 | 31,659 |
| Services from other hospitals | 6,128 | - | - | 6,128 |
| Jefferson Clinic | 11,112 | - | - | 11,112 |
| Office expenses | 792 | 930 | 158 | 1,880 |
| Depreciation | 2,379 | 132,336 | 2,530 | 137,245 |
| Closure and postclosure care | - | - | 85 | 85 |
| Indirect expenses | 6,926 | - | 10 | 6,936 |
| Miscellaneous | 759 | 141 | 844 | 1,744 |
| | <u>92,625</u> | <u>190,387</u> | <u>10,180</u> | <u>293,192</u> |
| Operating Loss | (57,914) | (30,857) | (5,025) | (93,796) |
| Nonoperating Revenues (Expenses) | | | | |
| Interest expense, net | (13) | (111,876) | (191) | (112,080) |
| Interest revenue | 35 | 1,600 | 7 | 1,642 |
| Grant income | 868 | - | - | 868 |
| Amortization of warrant related costs | - | (13,478) | (10) | (13,488) |
| Legal settlements | - | 34,612 | - | 34,612 |
| Gain (loss) on contribution, sale or retirement of capital assets | - | (1,140) | 69 | (1,071) |
| | <u>890</u> | <u>(90,282)</u> | <u>(125)</u> | <u>(89,517)</u> |
| Operating Transfers | | | | |
| Transfers in | 50,392 | - | 793 | 51,185 |
| Capital contributions - transfer of capital assets | 955 | - | - | 955 |
| | <u>51,347</u> | <u>-</u> | <u>793</u> | <u>52,140</u> |
| Change in Net Assets | (5,677) | (121,139) | (4,357) | (131,173) |
| Net Assets (Deficit) - beginning of year, as previously reported | 37,170 | (11,968) | 15,878 | 41,080 |
| Prior Period Adjustment | - | (30,091) | - | (30,091) |
| Net Assets (Deficit) - beginning of year, as restated | <u>37,170</u> | <u>(42,059)</u> | <u>15,878</u> | <u>10,989</u> |
| Net Assets - end of year | <u>\$ 31,493</u> | <u>\$ (163,198)</u> | <u>\$ 11,521</u> | <u>\$ (120,184)</u> |

See notes to financial statements.

**JEFFERSON COUNTY COMMISSION
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(IN THOUSANDS)**

| | Cooper Green Hospital Fund | Sanitary Operations Fund | Nonmajor Enterprise Funds | Total |
|--|----------------------------------|--------------------------------|---------------------------------|-------------------|
| Cash Flows from Operating Activities | | | | |
| Cash received from services | \$ 28,756 | \$ 152,415 | \$ 4,298 | \$ 185,469 |
| Cash payments to employees | (37,321) | (23,989) | (3,648) | (64,958) |
| Cash payments for goods and services | (52,376) | (33,347) | (3,551) | (89,274) |
| Other receipts and payments, net | 14,243 | (3,675) | 2,998 | 13,566 |
| Net Cash Provided (Used) by Operating Activities | (46,698) | 91,404 | 97 | 44,803 |
| Cash Flows from Noncapital Financing Activities | | | | |
| Grant income | 868 | - | - | 868 |
| Legal settlements | - | 34,612 | - | 34,612 |
| Operating transfers in | 50,392 | - | 793 | 51,185 |
| Net Cash Provided by Noncapital Financing Activities | 51,260 | 34,612 | 793 | 86,665 |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Acquisition of capital assets | (602) | (26,827) | (16) | (27,445) |
| Repayment of capital lease obligations | (123) | - | - | (123) |
| Sale of capital assets | - | - | 285 | 285 |
| Interest paid | (13) | (108,864) | (192) | (109,069) |
| Principal payments on warrants | - | (28,460) | (1,435) | (29,895) |
| Net Cash Used by Capital and Related Financing Activities | (738) | (164,151) | (1,358) | (166,247) |
| Cash Flows from Investing Activities | | | | |
| Interest received | 35 | 1,600 | 7 | 1,642 |
| Miscellaneous | (1) | - | 2 | 1 |
| Net Cash Provided by Investing Activities | 34 | 1,600 | 9 | 1,643 |
| Change in Cash and Investments | 3,858 | (36,535) | (459) | (33,136) |
| Cash and Investments - beginning of year | 4,335 | 264,254 | 8,296 | 276,885 |
| Cash and Investments - end of year | <u>\$ 8,193</u> | <u>\$ 227,719</u> | <u>\$ 7,837</u> | <u>\$ 243,749</u> |
| Displayed As | | | | |
| Cash and investments | \$ 6,404 | \$ 7,414 | \$ 4,974 | \$ 18,792 |
| Restricted assets - current cash and investments | - | 173,523 | - | 173,523 |
| Restricted assets - noncurrent cash and investments | 1,789 | 56 | 2,863 | 4,708 |
| Assets internally designated for capital improvements or redemption of warrants - noncurrent cash | - | 46,726 | - | 46,726 |
| | <u>\$ 8,193</u> | <u>\$ 227,719</u> | <u>\$ 7,837</u> | <u>\$ 243,749</u> |

**JEFFERSON COUNTY COMMISSION
STATEMENT OF CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(IN THOUSANDS)
(Continued)**

| | Cooper Green Hospital Fund | Sanitary Operations Fund | Nonmajor Enterprise Funds | Total |
|---|---|---|--|-------------------|
| Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating loss | \$ (57,914) | \$ (30,857) | \$ (5,025) | \$ (93,796) |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 2,379 | 132,336 | 2,530 | 137,245 |
| Provision for bad debts | 12,501 | 591 | 492 | 13,584 |
| Change in patient accounts receivable | (9,390) | - | (81) | (9,471) |
| Change in accounts receivable | - | (805) | (111) | (916) |
| Change in other receivables | (1,963) | - | - | (1,963) |
| Change in estimated third-party payor settlements | 211 | - | - | 211 |
| Change in taxes receivable, net | - | 32 | - | 32 |
| Change in due from (to) other governments | - | (278) | - | (278) |
| Change in inventories | 319 | - | 3 | 322 |
| Change in prepaid expenses | 706 | - | - | 706 |
| Change in advances due from (to) other funds | 6,926 | (10,628) | 2,344 | (1,358) |
| Change in accounts payable | (642) | 713 | (425) | (354) |
| Change in accrued wages and benefits | (11) | (14) | (13) | (38) |
| Change in retainage payable | - | 222 | - | 222 |
| Change in deferred/unearned revenue | - | 138 | - | 138 |
| Change in estimated claims liability | (314) | 17 | (105) | (402) |
| Change in estimated liability for compensated absences | (125) | (430) | (117) | (672) |
| Change in accrued arbitrage rebates | - | (63) | - | (63) |
| Change in estimated liability for landfill closure and postclosure care costs | - | - | 532 | 532 |
| Change in estimated liability for other postemployment benefits | 619 | 430 | 73 | 1,122 |
| | <u>11,216</u> | <u>122,261</u> | <u>5,122</u> | <u>138,599</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (46,698)</u> | <u>\$ 91,404</u> | <u>\$ 97</u> | <u>\$ 44,803</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | |
| (Loss) gain on sale or retirement of capital assets | <u>\$ -</u> | <u>\$ (1,140)</u> | <u>\$ 69</u> | <u>\$ (1,071)</u> |
| Transfers from capital assets to governmental fund | <u>\$ 955</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 955</u> |
| Noncash capital asset addition | <u>\$ -</u> | <u>\$ 776</u> | <u>\$ -</u> | <u>\$ 776</u> |

See notes to financial statements.

**JEFFERSON COUNTY COMMISSION
STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUND
SEPTEMBER 30, 2012
(IN THOUSANDS)**

| | Agency Fund |
|--------------------------|------------------------|
| ASSETS | |
| Current Assets | |
| Cash and investments | \$ 887 |
| Loans receivable, net | 166 |
| | 1,053 |
| | \$ 1,053 |
| LIABILITIES | |
| Due to other governments | \$ 1,053 |
| | 1,053 |

See notes to financial statements.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Jefferson County Commission (the Commission) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units, except that management has not capitalized certain donated capital assets or included related current disclosures due to the lack of available information. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

Reporting Entity

The Commission is a general purpose local government governed by five separately elected commissioners. The accompanying financial statements present the activities of the Jefferson County Commission (the primary government) and its component units, as required by GAAP. Component units are legally separate entities for which a primary government is financially accountable. Financial accountability is generally defined as the appointment of a voting majority of the component unit's governing body and either (a) the Commission's ability to impose its will on the component unit's governing body or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Commission. Based on the application of the above criteria, the financial position and results of operations for the Jefferson County Public Building Authority (the Building Authority) and the Jefferson County Economic and Industrial Development Authority (the Development Authority) have been included in the accompanying financial statements as blended component units, which are defined as legally separate entities that exist solely to provide services exclusively to the Commission. Complete financial information of the Building Authority and the Development Authority may be reviewed at the Jefferson County Courthouse, Finance Department, Room 810, Birmingham, Alabama.

On September 22, 2010, John S. Young, Jr., LLC was appointed by the Circuit Court of Jefferson County, Alabama, Birmingham Division, as Receiver over the Sanitary Operations Fund. Financial activity throughout the fiscal year is included in the accompanying financial statements. On November 9, 2011, the Commission filed a petition for relief under Chapter 9 of the United States Bankruptcy Code in the United States Bankruptcy Court (the Bankruptcy Case). On January 6, 2012, U.S. Bankruptcy Judge Thomas Bennett ruled that the automatic stay of bankruptcy protection applies to the Receiver. A plan of reorganization has not been approved by the Bankruptcy Court through the date of these financial statements and no adjustments have been recorded to the assets and liabilities reported herein. See Notes S, U, V and W for further discussion.

Government-Wide and Fund Financial Statements

The basic financial statements include both the government-wide (based on the Commission as a whole) and fund financial statements.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Commission as a whole and its blended component units. These statements include the financial activities of the primary government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the Commission. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between program revenues and direct expenses for each segment of the business-type activities of the Commission and for each function of the Commission's governmental activities. Program revenues include (a) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or program and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. During 2012, indirect expenses were allocated to the various functions using different bases, as deemed appropriate for the individual expense.

Fund Financial Statements

The fund financial statements provide information about the Commission's funds, including fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. As a general rule, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the Commission gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Revenue from property taxes and grants are recognized in the fiscal year for which the taxes and grants are both due and collectible and available to fund operations.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are charges between the government's enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Under the terms of grant agreements, the Commission funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Commission's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon thereafter to pay liabilities of the current period. For this purpose, the Commission considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. General long-term debt issued and acquisitions under capital leases are reported as other financing sources.

The following major governmental funds are included in the Commission's financial statements:

- *General Fund* - This fund is the primary operating fund of the Commission. It is used to account for financial resources except those required to be accounted for in another fund. The Commission primarily receives revenues from collections of property taxes, county sales taxes and revenues collected by the State of Alabama and shared with the Commission.
- *Limited Obligation School Fund* - This fund is used to account for the sales tax collected for the payment of principal and interest on the Limited Obligation School Warrants.
- *Indigent Care Fund* - This fund is used to account for the expenditure of beverage and sales taxes designated for indigent residents of Jefferson County (the County).
- *Bridge and Public Building Fund* - This fund is used to account for the expenditure of special County property taxes for building and maintaining public buildings, roads and bridges.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Other nonmajor governmental funds are as follows:

- *Debt Service Fund* - This fund is used to account for the accumulation of resources for and the payment of the Commission's principal and interest on governmental bonds.
- *Community Development Fund* - This fund is used to account for the expenditure of federal block grant funds.
- *Capital Improvements Fund* - This fund is used to account for the financial resources used in the improvement of major capital facilities.
- *Public Building Authority* - This fund is used to account for the operations of the Jefferson County Public Building Authority. This authority was incorporated in 1998 for the general purpose of providing public facilities for the use of the Commission and its agencies.
- *Road Construction Fund* - This fund is used to account for the financial resources expended in the construction of roads.
- *Home Grant Fund* - This fund is used to account for the expenditure of funds received to create affordable housing for low income households.
- *Emergency Management Fund* - This fund is used to account for the expenditure of funds received for disaster assistance programs.

The Commission currently reports enterprise funds as its only type of proprietary fund. Enterprise funds report the activities for which fees are charged to external users for goods or services. This fund type is also used when the activity is financed with debt that is secured by a pledge of the net revenues from the fees. Proprietary funds distinguish operating revenues and expenses from nonoperating items in their statement of revenues, expenses and changes in fund net assets. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Commission's enterprise funds are charges to customers for the purchase or use of the proprietary fund's principal product or service. Operating expenses for the Commission's enterprise funds include the cost of providing those products or services, administrative expenses, depreciation on capital assets and closure and postclosure care costs. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The following major enterprise funds are included in the Commission's financial statements:

- *Cooper Green Hospital Fund* - This fund is used to account for the operations of Cooper Green Mercy Hospital. Net revenues are derived from patient charges and reimbursements from third parties, including Medicare and Medicaid.
- *Sanitary Operations Fund* - This fund is used to account for the operations of the Commission's sanitary sewer systems. Revenues are generated primarily through user charges, impact fees and designated property and ad valorem taxes.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Other nonmajor enterprise funds are as follows:

- *Landfill Operations Fund* - This fund is used to account for the operations of the Commission's landfill systems. Revenues are generated primarily through user charges and lease payments from a third-party lessee.
- *Jefferson Rehabilitation and Health Center Fund* - This fund is used to account for the operations of in-patient nursing facilities. Net revenues are received from patient charges and reimbursements from third parties, principally Medicaid.
- *Jefferson County Economic and Industrial Development Authority* - This fund is used to account for the operations of the Jefferson County Economic and Industrial Development Authority. This authority was incorporated in 1995 to engage in the solicitation and promotion of industry and industrial development and to induce industrial and commercial enterprises to locate, expand or improve their operations or remain in Jefferson County.

The Commission currently reports fiduciary funds as its only type of agency fund. Fiduciary funds are used to report assets held by the Commission in a purely custodial capacity. The Commission collects these assets and transfers them to the proper individual, private organizations or other government.

The following fiduciary fund is presented with the Commission's financial statements:

- *City of Birmingham Revolving Loan Fund* - This fund is used to account for resources held by the Commission in a custodial capacity for the City of Birmingham's revolving loan program.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Commission has not elected to follow subsequent private-sector guidance.

The preparation of financial statements in accordance with United States generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

As a governmental unit, the Commission is exempt from federal and state income taxes.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Assets, Liabilities and Net Assets/Fund Balances

Deposits and Investments

Cash includes cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. For purposes of the statement of cash flows, the proprietary fund type considers all cash and investments to be cash.

State statutes authorize the Commission to invest in obligations of the U.S. Treasury and securities of federal agencies and certificates of deposit.

Investments are reported at fair value, based on quoted market prices, except for money market investments, which are reported at amortized cost. The Commission reports all money market investments - U.S. Treasury bills having a remaining maturity at time of purchase of one year or less - at amortized cost. Investments held in escrow for retainage on construction contracts and as surety for purchase commitments are stated at fair value.

Receivables

All trade, property tax, loans and patient receivables are shown net of an allowance for uncollectible amounts. Allowances for doubtful accounts are estimated based on historical write-off percentages. Doubtful accounts are written off against the allowance after adequate collection effort is exhausted and are recorded as recoveries of bad debts if subsequently collected.

Sales tax receivables consist of taxes that have been paid by consumers in September. This tax is normally remitted to the Commission within the next 60 days.

Patient receivables in the proprietary funds are from patients, insurance companies and third-party reimbursement contractual agencies and are recorded less an allowance for uncollectible accounts, charity accounts and other uncertainties. Certain third-party insured accounts (Blue Cross Blue Shield, Medicare and Medicaid) are based on contractual agreements, which generally result in collecting less than the established rates. Final determinations of payments under these agreements are subject to review by appropriate authorities. Doubtful accounts are written off against the allowance as deemed uncollectible and recorded as recoveries of bad debts if subsequently collected.

| | Enterprise Funds |
|-------------------------|-----------------------------|
| Patient receivables | \$ 14,279,000 |
| Allowance accounts | 10,313,000 |
| | _____ |
| Net patient receivables | \$ 3,966,000 |
| | _____ |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Allowances for uncollectible accounts on accounts receivable totaled \$19,821,000 and allowances on due from other governments totaled \$3,376,000 at September 30, 2012.

In previous fiscal years, the Commission issued long-term loans with original balances of \$16,929,000 to the City of Fultondale (maturity on April 1, 2016, with three-percent interest rate, payable annually) and \$5,972,000 to local contractors for special needs housing developments within the County (maturities ranging from September 2017 to November 2039 with interest rates ranging from zero to two percent, payable at maturity). These loans totaled \$19,870,000 (net of an allowance of \$6,931,000) at September 30, 2012.

The Commission issues long-term loans through the Community Development Office for house repairs of low and moderate-income homeowners and for firms that may not have access to sufficient long-term capital financing. These loans totaled \$880,000 at September 30, 2012.

The Commission, as lead agency, administers a joint grant agreement with the City of Birmingham for Title IX Revolving Loans Funds to provide funding for qualifying private enterprises. At September 30, 2012, the balance of these loans receivable for the City of Birmingham totaled \$166,000, which is presented in the statement of fiduciary net assets.

Other miscellaneous loans were issued by the Commission with varying maturities and interest rates. These loans totaled \$1,357,000 (net of an allowance of \$332,000) at September 30, 2012.

Millage rates for property taxes are levied at the first regular meeting of the Commission in February of each year. Property taxes are assessed as of October 1 of the preceding fiscal year based on the millage rates established by the Commission. Property taxes are due and payable the following October 1 and are delinquent after December 31. Amounts receivable, net of estimated refunds and estimated uncollectible amounts, are recorded for the property taxes levied in the current year. However, since the amounts are not available to fund current year operations, the revenue is deferred and recognized in the subsequent fiscal year when the taxes are both due and collectible and available to fund operations.

Receivables due from other governments include amounts due from grantors for grants issued for specific programs and capital projects and amounts due from the state and other local governments.

Inventories

Inventories are valued at cost, which approximates realizable value, using the first-in, first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Restricted Assets

Certain resources set aside for the repayment of certain general obligation and sewer revenue warrants are classified as restricted assets on the statement of net assets because they are maintained in separate bank accounts, and their use is limited by applicable bond agreements. Also, various amounts are classified as restricted because they are limited by warrant documents for the construction on various ongoing projects or improvements.

Capital Assets

Capital assets, which include land, property, equipment and infrastructure assets (e.g., roads, bridges, water and sewer systems and similar items), are reported in the applicable governmental and business-type activities columns in the government-wide financial statements. Such assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair market value on the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Major outlays of capital assets and improvements are capitalized as projects are constructed.

Depreciation on all assets is provided on the straight-line basis over the asset's estimated useful life. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

| Item | Capitalization Threshold | Estimated Useful Life |
|-------------------------------------|-------------------------------------|----------------------------------|
| Buildings | \$ 100,000 | 40 years |
| Equipment and furniture | 5,000 | 5-10 years |
| Roads | 250,000 | 15 years |
| Bridges | 250,000 | 40 years |
| Collection sewer system assets | 250,000 | 25-40 years |
| Treatment plant sewer system assets | 250,000 | 40 years |
| Landfills and improvements | 100,000 | 25 years |

The Commission capitalizes interest cost incurred on funds used to construct property, equipment and infrastructure assets. Interest capitalization ceases when the construction project is substantially complete. The capitalized interest is recorded as part of the asset to which it relates and is amortized over the asset's estimated useful life. In accordance with authoritative accounting guidance, interest is not capitalized for construction projects of governmental funds. Net interest capitalized during fiscal year 2012 amounted to \$497,000.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Capital assets are reviewed for impairment in accordance with the methodology prescribed in GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. Asset impairment, as defined by this standard, is a significant, unexpected decline in the service utility of a capital asset and is not a function of the recoverability of the carrying amount of the asset. Service utility is the usable capacity of the asset that was expected to be used at the time of acquisition and is not related to the level of actual utilization, but the capacity for utilization. Indicators that the service utility of an asset has significantly declined include: (a) evidence of physical damage; (b) changes in legal or environmental circumstances; (c) technological development or evidence of obsolescence; (d) a change in the manner or expected duration of use of the asset; and (e) construction stoppage. The Commission has determined that no capital asset impairment exists at September 30, 2012.

Transactions between Funds

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the fund level balance sheet.

Transactions between funds, which would have been treated as revenues, expenditures or expenses if they involved organizations external to the governmental unit, are accounted for as revenues, expenditures or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expenses in the fund reimbursed. All other nonreciprocal transactions between funds which are not reimbursements and where the funds do not receive equivalent goods or services for the transactions are classified as transfers.

Estimated Claims Liabilities

The Commission establishes claims liabilities for health insurance, general, auto and workers' compensation self-insured activities based on estimates of the ultimate cost of claims (including future claims adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claims costs depend on such complex factors as inflation, changes in doctrines of legal liability and damage awards, the process used in computing claims liabilities does not necessarily result in an exact amount, particularly for coverages such as general liability. Claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claims frequency and other economic and social factors. A provision for inflation in the calculation of estimated future claims costs is implicit in the calculation because reliance is placed both on actual historical data that reflect past inflation and on other factors that are considered to be appropriate modifiers of past experience. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Warrants Payable

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Warrant premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the warrants.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The Commission has received Notices of Events of Default from the Trustee(s) on certain warrant obligations under the terms of the related trust indenture(s). In addition, pursuant to its agreements with certain Liquidity Providers, certain Series Warrants are payable on an accelerated schedule. See Note J for a discussion of the Events of Default regarding the warrant agreements and the specific series of warrants where the payments have been accelerated. Also, see Note V for subsequent events.

Derivative Instruments/Interest Rate Swap Agreements

The Commission entered into several interest rate swap agreements in prior years in relation to the warrant agreements. All such agreements were terminated prior to September 30, 2012. As a result, the estimated termination fees plus any related accrued interest (which represents the estimated fair value at the termination date) have been accrued and are included as a liability in the accompanying financial statements. See Note K for a discussion of the interest rate swap agreements.

Compensated Absences

The Commission has a standard leave policy for its full-time employees as to sick and vacation leave.

Vacation Leave

| Length of Service | Vacation Leave Earned (Per Month) |
|--------------------------|--|
| 0-12 years | 1 day |
| 12-25 years | 1 ½ days |
| Over 25 years | 2 days |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Vacation earned but not used during the calendar year may be accumulated up to a maximum of 40 days. Vacation leave earned in excess of the maximum accumulation must be used by December 31 of each year, or it shall be forfeited. A permanent employee terminating from Commission service in good standing shall be compensated for unused earned vacation not to exceed 40 days.

Sick Leave

Sick leave shall be earned at the rate of one day for each month of service. Sick leave earned but not used during the calendar year may be accumulated with no maximum limit. A permanent employee who resigns or retires from the Commission in good standing after five years of service may, subject to the approval of the appointing authority, receive pay for 50 percent of the accumulated sick leave not to exceed 30 days.

Compensatory Leave

Eligible County employees covered by provisions of the Fair Labor Standards Act are paid for overtime hours worked at the rate of time-and-one-half. In some instances, the employee may be offered compensatory leave.

Maximum limitations of accumulated compensatory time are as follows:

- Public Safety employees may accrue a maximum of 480 hours.
- All other employees may accrue a maximum of 240 hours.

Any employee's accrual of overtime in excess of the maximum limitation shall, within the following pay period, be disposed of by either (a) payment at the current hourly pay rate of the employee or (b) granting equivalent time off. The Commission uses the vesting method to accrue its sick leave liability. Under this method, an accrual for earned sick leave is based on the sick leave accumulated at September 30 each year by those employees who currently are eligible to receive termination payments, as well as other employees who are expected to become eligible in the future to receive such payments, reduced to the maximum amount allowed as a termination payment.

As of September 30, 2012, the liability for accrued vacation and compensatory leave included in the government-wide statement of net assets is approximately \$13,664,000 of which \$9,870,000 is reported in the governmental activities and \$3,794,000 is reported in the business-type activities. Of this amount, an estimated \$8,049,000 is payable within a year.

As of September 30, 2012, the liability for accrued sick leave included in the government-wide statement of net assets is approximately \$7,932,000. Of this amount, \$5,835,000 is reported in the governmental activities and \$2,097,000 is reported in the business-type activities. Due and payable within one year of September 30, 2012, is approximately \$870,000.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Legal Fees and Costs Associated with Bankruptcy Proceedings

Legal fees for the Commission and costs associated with bankruptcy proceedings are expensed as incurred and are included in operating expenses in the accompanying financial statements. No estimate is made for costs associated with bankruptcy proceedings or for legal fees that may be incurred related to potential loss contingencies.

Net Assets/Fund Balances

Net assets are reported on the government-wide and proprietary fund financial statements and are required to be classified for accounting and reporting purposes into the following net asset categories:

- *Invested in Capital Assets, Net of Related Debt* - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets. Any significant unspent related debt proceeds at year end related to capital assets are included in this calculation.
- *Restricted* - Constraints are imposed on net assets by external creditors, grantors, contributors, laws or regulations of other governments or law through constitutional provision or enabling legislation.
- *Unrestricted* - Net assets that are not subject to externally imposed stipulations. Unrestricted net assets may be designated for specific purposes by action of the Commission.

Fund balances are reported in the fund financial statements. Fund balances are reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Amounts are reported as nonspendable, restricted, committed, assigned or unassigned, as follows:

- *Nonspendable* - Items that cannot be spent. This includes activity that is not in a spendable form (inventories, prepaid amounts or long-term portions of loans or notes receivable) and activity that is legally or contractually required to remain intact, such as a principal balance in a permanent fund.
- *Restricted* - Constraints are placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.
- *Committed* - Items can be used only for specific purposes pursuant to constraints imposed by a formal action of the Commissioners. This formal action is the passage of a resolution specifying the purposes for which amounts can be used. The same type of formal action is necessary to remove or change the specified use.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

- *Assigned* - Constraints are placed upon the use of the resources by a responsible official's request for a specific purpose but are neither restricted nor committed. For governmental fund types other than the General Fund, this is the residual amount within the fund that is not restricted or committed.
- *Unassigned* - The residual amount of the General Fund that is not included in the four categories above. Also, any deficit fund balances within the other governmental fund types are reported as unassigned.

When both restricted and unrestricted amounts are available for use, Commission policy is to use restricted amounts first, with unrestricted resources utilized as needed. In the case of unrestricted resources, the policy is to use committed amounts first, followed by assigned amounts, then unassigned amounts as needed.

Reclassifications

Certain amounts in the 2011 financial statements have been reclassified to conform to 2012 presentation. Such reclassifications had no material effect on the previously reported financial position or changes in fund balance.

Subsequent Events

Management has evaluated subsequent events and their potential effects on these financial statements through October 7, 2013, the date the financial statements were available to be issued.

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets

The State Legislature enacted the County Financial Control Act of 1935, which is the present statutory basis for Commission budgeting operations. Under the terms of the County Financial Control Act, each county commission, at a meeting in September of each year, but in any event not later than the first meeting in October, must estimate the County's revenues and expenditures and appropriate for the various purposes the respective amounts that are to be used for each purpose. The budgets must be approved by the Commissioners. The appropriations must not exceed the total revenues available for appropriation. Expenditures may not legally exceed appropriations.

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds except the capital projects funds, which adopt project-length budgets. All annual appropriations lapse at fiscal year end.

Budgets may be adjusted during the fiscal year when approved by the Commission. Any changes must be within the revenues and reserves estimated to be available.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE B - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

Budget and actual comparisons for the General Fund, Limited Obligation School Fund, Indigent Care Fund and Bridge and Public Building Fund are presented in the required supplementary information section.

Deficit Fund Balances/Net Assets of Individual Funds

At September 30, 2012, the Sanitary Operations Fund had a deficit fund balance of \$163,198,000.

NOTE C - RESTATEMENTS

The beginning net assets (deficit) reported on the government-wide financial statements have been restated to correct prior year errors as listed in the table below:

| | (In Thousands) | | |
|--|------------------------------------|-------------------------------------|--------------|
| | Governmental Activities | Business-Type Activities | Total |
| Net assets (deficit), September 30, 2011, as previously reported | \$ (511,396) | \$ 41,080 | \$ (470,316) |
| Defer grant reimbursements | (4,752) | - | (4,752) |
| Record additional accrued interest | - | (30,091) | (30,091) |
| Net assets (deficit), September 30, 2011, as restated | \$ (516,148) | \$ 10,989 | \$ (505,159) |

The beginning net deficit of the Sanitary Operations Fund reported on the fund financial statements has been restated to correct a prior year error as listed in the table below:

| | (In Thousands) |
|---|-------------------------------------|
| | Sanitary Operations Fund |
| Net deficit, September 30, 2011, as previously reported | \$ (11,968) |
| Record additional accrued interest | (30,091) |
| Net deficit, September 30, 2011, as restated | \$ (42,059) |

The beginning fund balance of the nonmajor governmental funds reported on the fund financial statements has been restated to correct a prior year error as listed in the table below:

| | (In Thousands) |
|--|--|
| | Nonmajor Governmental Funds |
| Fund balance, September 30, 2011, as previously reported | \$ 50,779 |
| Defer grant reimbursements | (4,752) |
| Fund balance, September 30, 2011, as restated | \$ 46,027 |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE D - DEPOSITS AND INVESTMENTS

Deposits

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Commission will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Commission's deposits at year end were insured by the Federal Deposit Insurance Corporation (FDIC) or protected under the Security for Alabama Funds Enhancement Program (SAFE Program). The SAFE Program was established by the Alabama Legislature and is governed by the provisions contained in the *Code of Alabama 1975*, Sections 41-14A-1 through 41-14A-14. Under the SAFE Program, all public funds are protected through a collateral pool administered by the Alabama State Treasurer's Office. Under this program, financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that financial institution would be liquidated by the State Treasurer to replace the public deposits not covered by the FDIC. If the securities pledged fail to produce adequate funds, every institution participating in the pool would share the liability for the remaining balance.

Investments

As of September 30, 2012, the components of cash and investments and restricted assets are:

| | (In Thousands) | | |
|--|------------------------------------|-------------------------------------|-------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Petty cash | \$ 100 | \$ 6 | \$ 106 |
| Equity in pooled investments | 140,464 | 11,825 | 152,289 |
| Cash and investments | 143 | 6,961 | 7,104 |
| Assets internally designated for capital improvements or redemption of warrants | - | 46,726 | 46,726 |
| Restricted assets held for: | | | |
| Closure and postclosure care | - | 2,440 | 2,440 |
| Retainage | 347 | 55 | 402 |
| Debt service | 140,883 | 33,764 | 174,647 |
| Capital improvements | 37,121 | 109,973 | 147,094 |
| Debt service or capital improvements | - | 29,786 | 29,786 |
| Other purposes | 3,540 | 2,213 | 5,753 |
| Total restricted assets | <u>181,891</u> | <u>178,231</u> | <u>360,122</u> |
| Total cash and investments | <u>\$ 322,598</u> | <u>\$ 243,749</u> | <u>\$ 566,347</u> |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE D - DEPOSITS AND INVESTMENTS - Continued

As of September 30, 2012, the Commission had the following deposits and investments:

| | (In Thousands) | | |
|--|----------------------------|-----------------------------|-------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Cash and cash equivalents | \$ 314,592 | \$ 77,842 | \$ 392,434 |
| Investments: | | | |
| U.S. Government obligations | 7,625 | 57,512 | 65,137 |
| Collateralized mortgage obligations | 11 | 1,620 | 1,631 |
| Mortgage-backed securities | 23 | 3,493 | 3,516 |
| Guaranteed investment contracts | - | 814 | 814 |
| Fixed income money market mutual funds | - | 102,413 | 102,413 |
| Total investments | 7,659 | 165,852 | 173,511 |
| Restricted assets held for retainage | 347 | 55 | 402 |
| | <u>\$ 322,598</u> | <u>\$ 243,749</u> | <u>\$ 566,347</u> |

The Commission has entered into contracts for construction of various facilities within Jefferson County. Cash deposits were provided by some contractors that were used to purchase certificates of deposits and U.S. Government securities to be held by designated financial institutions in the name of the contractors and the Commission in lieu of retainage. These securities, totaling \$402,000, are included as part of restricted assets on the accompanying statement of net assets and are not included in investments discussed below. They are not covered by collateral agreements between financial institutions and the Commission, and the terms of collateralization agreements between the contractors and the financial institutions are not known at this time.

The Commission uses several methods for investing money. The investments managed by the Jefferson County Treasurer are reported at amortized cost. The Commission maintains a portfolio of short-term maturity investments, which are reported at amortized cost. The Commission also maintains a portfolio of intermediate maturity investments that are reported at fair value. The Commission's fiscal agent or custodian provides the fair value to the Commission of all intermediate maturity investments.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE D - DEPOSITS AND INVESTMENTS - Continued

As of September 30, 2012, the Commission's investments had the following maturities (in thousands):

| | Fair Value | Investment Maturities (in Years) | | | |
|--|-------------------|----------------------------------|------------------|------------------|-----------------|
| | | Less than 1 | 1-5 | 6-10 | Thereafter |
| U.S. Government obligations | \$ 65,137 | \$ 20,944 | \$ 30,738 | \$ 13,455 | \$ - |
| Collateralized mortgage obligations | 1,631 | - | 938 | 636 | 57 |
| Mortgage-backed securities | 3,516 | - | 1,149 | 738 | 1,629 |
| Guaranteed investment contracts | 814 | 814 | - | - | - |
| Fixed income money market mutual funds | 102,413 | 102,413 | - | - | - |
| | <u>\$ 173,511</u> | <u>\$ 124,171</u> | <u>\$ 32,825</u> | <u>\$ 14,829</u> | <u>\$ 1,686</u> |

Interest Rate Risk

In accordance with its investment policy, the Commission manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 10 months.

Investment Risk

Investment securities are exposed to market risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets.

Concentration of Credit Risk

The Commission's investment policy generally does not allow for an investment in any one issuer that is in excess of five percent of the total investments. There were no investments with a balance greater than five percent of total investments at September 30, 2012.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE D - DEPOSITS AND INVESTMENTS - Continued

Custodial Credit Risk

Custodial credit risk is the risk that an entity will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party if the counterparty fails. Statutes authorize the Commission to invest in obligations of the U.S. Treasury and federal agency securities, along with certain prerefunded public obligations, such as bonds or other obligations of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state.

State law requires that prerefunded public obligations, such as any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state in which the Commission invests, be rated in the highest rating category of Standard & Poor's Ratings Services (S&P) and Moody's Investors Service, Inc. (Moody's). As of September 30, 2012, the Commission's investments in U.S. Government obligations were rated "Aaa" by Standard & Poor's. No ratings were available on the other investments.

Of the Commission's \$173,511,000 in investments at September 30, 2012, \$29,766,000 of the underlying securities are held by the investment's counterparty, not in the name of the Commission.

For collateralized mortgage obligations, actual maturities may differ from contractual maturities because some borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Embedded prepayment options cause these investments to be highly sensitive to changes in interest rates. Prepayments of underlying assets reduce the total interest payments to be received. Generally, when interest rates fall, obligees tend to prepay the mortgages, thus eliminating the stream of interest payments that would have been received under the original amortization schedule. The resulting reduction in cash flow diminishes the fair value of the obligation.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2012, was as follows:

| Governmental Activities | (In Thousands) | | | | Balance at September 30, 2012 |
|---|-------------------------------|-------------------|----------------|---------------------------------|-------------------------------------|
| | Balance at October 1, 2011 | Additions | Disposals | Transfers/ Reclassifications | |
| Nondepreciable capital assets: | | | | | |
| Land | \$ 20,450 | \$ - | \$ - | \$ - | \$ 20,450 |
| Construction in progress | 18,926 | 3,246 | - | (9,401) | 12,771 |
| | <u>39,376</u> | <u>3,246</u> | <u>-</u> | <u>(9,401)</u> | <u>33,221</u> |
| Depreciable capital assets: | | | | | |
| Buildings | 396,258 | (9) | - | 7,700 | 403,949 |
| Improvements other than land/buildings | 164,197 | 639 | - | 110 | 164,946 |
| Maintenance equipment | 6,335 | - | - | 79 | 6,414 |
| Motor vehicle (nonfleet) | 16,698 | - | (927) | - | 15,771 |
| Motor vehicle (fleet) | 38,575 | 126 | (1,644) | (1) | 37,056 |
| Equipment under capital lease | 15,310 | - | - | (1,463) | 13,847 |
| Miscellaneous equipment | 40,013 | 3,157 | (1,703) | 2,166 | 43,633 |
| Office furniture and fixtures | 1,220 | - | (6) | (1) | 1,213 |
| | <u>678,606</u> | <u>3,913</u> | <u>(4,280)</u> | <u>8,590</u> | <u>686,829</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings | (197,733) | (6,410) | - | 12 | (204,131) |
| Improvements other than land/buildings | (81,710) | (6,365) | - | (25) | (88,100) |
| Maintenance equipment | (7,378) | (67) | - | (1) | (7,446) |
| Motor vehicle (nonfleet) | (15,498) | (313) | 927 | - | (14,884) |
| Motor vehicle (fleet) | (37,208) | (869) | 1,638 | - | (36,439) |
| Equipment under capital lease | (14,106) | - | - | 260 | (13,846) |
| Miscellaneous equipment | (36,184) | (1,010) | 1,611 | (389) | (35,972) |
| Office furniture and fixtures | (923) | (55) | 7 | (1) | (972) |
| | <u>(390,740)</u> | <u>(15,089)</u> | <u>4,183</u> | <u>(144)</u> | <u>(401,790)</u> |
| Total depreciable capital assets, net | <u>287,866</u> | <u>(11,176)</u> | <u>(97)</u> | <u>8,446</u> | <u>285,039</u> |
| Total capital assets, net | <u>\$ 327,242</u> | <u>\$ (7,930)</u> | <u>\$ (97)</u> | <u>\$ (955)</u> | <u>\$ 318,260</u> |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE E - CAPITAL ASSETS - Continued

| Business-Type Activities | (In Thousands) | | | | |
|---|-------------------------------|--------------|--------------------------|---------------------------------|-------------------------------------|
| | Balance at October 1, 2011 | Additions | Disposals/ Impairment | Transfers/ Reclassifications | Balance at September 30, 2012 |
| Nondepreciable capital assets: | | | | | |
| Land | \$ 43,364 | \$ 776 | \$ (207) | \$ - | \$ 43,933 |
| Construction in progress | 10,079 | 24,017 | (9) | (13,523) | 20,564 |
| | 53,443 | 24,793 | (216) | (13,523) | 64,497 |
| Depreciable capital assets: | | | | | |
| Buildings | 1,120,749 | 14 | - | (1,417) | 1,119,346 |
| Improvements other than land/buildings | 3,336,807 | 510 | (3,862) | 14,940 | 3,348,395 |
| Maintenance equipment | 6,005 | 19 | - | 955 | 6,979 |
| Motor vehicle (nonfleet) | 4,903 | 86 | (181) | - | 4,808 |
| Motor vehicle (fleet) | 14,368 | 1,196 | (209) | - | 15,355 |
| Equipment under capital lease | 2,478 | - | - | - | 2,478 |
| Miscellaneous equipment | 18,577 | 1,601 | - | - | 20,178 |
| Office furniture and fixtures | 8,096 | 2 | - | - | 8,098 |
| | 4,511,983 | 3,428 | (4,252) | 14,478 | 4,525,637 |
| Less accumulated depreciation for: | | | | | |
| Buildings | (336,653) | (26,157) | - | 917 | (361,893) |
| Improvements other than land/buildings | (1,295,537) | (108,215) | 1,947 | (917) | (1,402,722) |
| Maintenance equipment | (5,836) | (87) | - | - | (5,923) |
| Motor vehicle (nonfleet) | (4,509) | (159) | 181 | - | (4,487) |
| Motor vehicle (fleet) | (11,541) | (979) | 209 | - | (12,311) |
| Equipment under capital lease | (2,013) | (134) | - | - | (2,147) |
| Miscellaneous equipment | (15,866) | (1,493) | - | - | (17,359) |
| Office furniture and fixtures | (8,022) | (21) | - | - | (8,043) |
| | (1,679,977) | (137,245) | 2,337 | - | (1,814,885) |
| Total depreciable capital assets, net | 2,832,006 | (133,817) | (1,915) | 14,478 | 2,710,752 |
| Total capital assets, net | \$ 2,885,449 | \$ (109,024) | \$ (2,131) | \$ 955 | \$ 2,775,249 |

The net book value of landfill operations capital assets leased to a third party at September 30, 2012, is \$31,194,000. See Note H for discussion of operating lease. A valuation of certain capital assets donated to the Commission in prior years related to sewer infrastructure of new subdivisions was not available as of the date of this report. These capital assets are not included in the accompanying financial statements.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE E - CAPITAL ASSETS - Continued

Depreciation expense was charged to functions/programs of the primary government as follows:

| | (In Thousands) |
|---|------------------------------|
| Governmental activities: | |
| General government | \$ 9,236 |
| Public safety | 64 |
| Highways and roads | <u>5,789</u> |
| Total depreciation expense - governmental activities | <u><u>\$ 15,089</u></u> |
| Business-type activities: | |
| Cooper Green Mercy Hospital | \$ 2,379 |
| Jefferson Rehabilitation and Health Center | 378 |
| Landfill Operations | 1,861 |
| Sanitary Operations | 132,336 |
| Industrial Development Authority | <u>291</u> |
| Total depreciation expense - business-type activities | <u><u>\$ 137,245</u></u> |

NOTE F - DEFERRED REVENUES

Governmental funds and proprietary funds report deferred revenues in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds and proprietary funds also defer revenue recognition in connection with resources that have been received but not yet earned. At September 30, 2012, the various components of deferred revenue and unearned revenue reported in the governmental funds and proprietary funds were as follows:

| | (In Thousands) | | |
|-------------------------------------|------------------------------|----------------------------|------------------------------|
| | Unavailable | Unearned | Total |
| Ad valorem taxes - property | \$ 109,995 | \$ - | \$ 109,995 |
| Ad valorem taxes - other | - | 4,745 | 4,745 |
| Grant-related reimbursements | 7,786 | - | 7,786 |
| Business privilege tax | <u>2,246</u> | <u>-</u> | <u>2,246</u> |
| Total deferred/unearned revenue | <u><u>\$ 120,027</u></u> | <u><u>\$ 4,745</u></u> | <u><u>\$ 124,772</u></u> |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE G - LEASE OBLIGATIONS

Operating Leases

The Commission is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected as part of the Commission's capital assets. During the fiscal year ended September 30, 2012, amounts paid by the Commission totaled \$713,000 for governmental activities and \$711,000 for business-type activities.

Future minimum lease payments due under operating lease agreements at September 30, 2012, are as follows:

| Year Ending September 30, | (In Thousands) | | |
|---------------------------|----------------|-----------|----------|
| | Facilities | Equipment | Total |
| 2013 | \$ 2 | \$ 1,002 | \$ 1,004 |
| 2014 | 2 | - | 2 |
| 2015 | 3 | - | 3 |
| 2016 | 3 | - | 3 |
| 2017 | 3 | - | 3 |
| 2018-2022 | 12 | - | 12 |
| | \$ 25 | \$ 1,002 | \$ 1,027 |

Capital Lease Obligations

On April 26, 2011, the Commission entered into a lease agreement to acquire a tax collection software solution at a cost of \$1,213,000. The lease agreement qualifies as a capital lease for accounting purposes and has been recorded in the Capital Improvements Fund at the present value of the minimum lease payments as of the inception date of the lease. Under the terms of the tax collection software lease, the Commission is required to make monthly payments of \$21,240. Amortization of the capital lease is included in depreciation expense for governmental activities.

The Commission also entered into seven lease agreements at various dates to acquire major medical equipment at a cost of \$2,478,000. These lease agreements qualify as capital leases for accounting purposes and have been recorded in the Cooper Green Hospital Fund at the present value of the minimum lease payments as of the inception date of the leases. Under the terms of the leases, the Commission is required to make monthly payments totaling \$46,150. Amortization of the capital leases is included in depreciation expense for the fund.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE G - LEASE OBLIGATIONS - Continued

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2012, are as follows:

| Year Ending September 30, | (In Thousands) | |
|---|----------------------------|-----------------------------|
| | Governmental Activities | Business-Type Activities |
| 2013 | \$ 297 | \$ 90 |
| 2014 | 255 | 90 |
| 2015 | 255 | 11 |
| 2016 | 127 | - |
| Total minimum lease payments | 934 | 191 |
| Less amount representing interest | 82 | 14 |
| Present value of minimum lease payments | \$ 852 | \$ 177 |

NOTE H - LANDFILL LEASE

On January 1, 2006, and amended on February 25, 2013, the Commission, as lessor, entered into an agreement with Santek Environmental of Alabama, LLC (Santek) to lease its two landfills, one transfer station and one convenience center until the completion of the operational life of the landfills. The Commission retains its rights to sell methane gas produced naturally at the landfills. Future minimum rental payments to be received are contractually due as follows as of September 30, 2012:

| | |
|------------|---------------|
| 2013 | \$ 918,000 |
| 2014 | 918,000 |
| 2015 | 918,000 |
| 2016 | 918,000 |
| 2017 | 918,000 |
| Thereafter | 44,293,500 |
| | \$ 48,883,500 |

Future minimum rental payments to be received do not include contingent rentals that may be received under the lease because of use in excess of specified amounts. Total rental income during 2012 of \$1,259,000 is presented as other operating revenue in the statement of revenues, expenses and changes in net assets.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE I - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

State and federal laws and regulations require that the Commission place a final cover on its landfills when closed and perform certain maintenance and monitoring functions at the landfill site for 30 years after closure. In addition to operating expenses related to current activities of the landfills, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfills' capacity used during the year.

The recorded liability for landfill closure and postclosure care costs is \$10,369,000 as of September 30, 2012. This estimate was based on 100-percent usage (filled) of the Jefferson County Landfill Number 1, zero-percent usage (filled) of the Jefferson County Landfill Number 1 Sub Cell 2-1, 98-percent usage (filled) of the Jefferson County Landfill Number 2 and the remaining liability for the Mt. Olive Sanitary and the Turkey Creek Sanitary Landfills, which were both closed October 1997. The total estimated current costs of closure and postclosure care remaining to be recognized (not including Landfill Number 1, Sub Cell 2-1) and the estimated remaining useful life of the landfill at September 30, 2012, are \$117,000 and 3.08 years, respectively.

Santek has agreed to fund \$1.28 per ton into a restricted account to fund closure and postclosure care costs of the landfills. To the extent that the funds in the restricted account are not adequate and Santek is unable to fund the closure and postclosure care obligation, the ultimate liability falls back to the Commission. Funds in the account total \$2,440,000 as of September 30, 2012, and are presented as noncurrent restricted assets on the accompanying statement of net assets under business-type activities. In accordance with Alabama Department of Environmental Management (ADEM) regulations, the Commission is required to provide financial assurance for closure and postclosure care costs annually. At September 30, 2012, the Commission was not in compliance with the ADEM requirement related to financial assurance. In February 2013, the Commission rectified its noncompliance with ADEM requirements by establishing a joint trust fund with Santek.

The estimated total current cost of the landfill closure and postclosure care is based on the amount that would be paid if all equipment, facilities and services required to close, monitor and maintain the landfills were acquired as of September 30, 2012. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE

Warrants payable include obligations for warrants issued in the name of the Jefferson County Commission for the primary purpose of sewer capital projects and related improvements (Business-Type Activities - Sewer Revenue Warrants), for the primary purpose of general capital projects and related improvements (Governmental Activities - General Obligation Warrants), for the primary purpose of school capital projects and related improvements (Governmental Activities - Limited Obligation School Warrants) and for the primary purpose of the Public Building Authority related capital projects and related improvements (Governmental Activities - Lease Revenue Warrants).

Warrants payable also include related amounts of premiums and discounts on the warrants and any losses on advance refunding of warrants, which are deferred and amortized over the life of the warrants.

BUSINESS-TYPE ACTIVITIES

Beginning prior to 1992, the Commission issued various warrants for sewer related capital projects and improvements. The Commission entered into a Trust Indenture (the Indenture) (as supplemented and amended) dated February 1, 1997, between Jefferson County, Alabama and AmSouth Bank of Alabama (AmSouth Bank), as Trustee, for the general purpose of refunding warrants outstanding or obtaining funds for capital sewer projects and improvements. The Indenture provides for the issuance of additional securities secured on a parity of lien with the original issues of warrants. The Bank of New York Mellon, as successor to AmSouth Bank, currently serves as Trustee under the Indenture. The Commission also entered into Standby Warrant Purchase Agreements related to the variable rate warrant offerings, as discussed further below.

The warrants issued under the Indenture are not general obligations of the Commission, but represent limited obligations of the Commission, payable solely out of and secured by a pledge and assignment of the revenues (other than tax revenues) from the Commission's sanitary sewer system remaining after the payment of operating expenses.

Payment of the principal and interest on the warrants when due is insured by municipal warrant insurance policies issued by Financial Guaranty Insurance Company (FGIC), Syncora Guarantee Inc. (Syncora) (formerly known as XL Capital Assurance, Inc.) or Assured Guaranty Municipal Corp. (AGM) (formerly known as Financial Security Assurance, Inc.), simultaneously with the delivery of each series of warrants discussed below, except the Series 2003-A warrants which were issued to an affiliate of the State of Alabama (see discussion below).

The Indenture includes certain covenants and requires the Commission to comply with certain continuing disclosure requirements pursuant to Rule 15c2-12 of the Securities and Exchange Commission, as discussed further below.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

GOVERNMENTAL ACTIVITIES

General Obligation Warrants

Beginning in 1984, the Commission issued various warrants for capital projects and improvements, including construction of a new jail facility located in Bessemer (Jefferson County), purchase of 200 school buses for the Jefferson County Board of Education, acquisition of land and landfills for the disposal of waste, additions and improvements to the sanitary sewer system, improving and building certain roads, waste transfer system and various other capital equipment, buildings and facilities for use by the County. The General Obligation Warrants are general obligations of the Commission and are payable out of the general fund from the Commission. Repayment of the outstanding general obligation warrants is secured by the full faith and credit of Jefferson County.

Payment of the principal and interest on the warrants when due is insured by a municipal warrant insurance policy issued by Ambac Assurance Corp. (Ambac) or National Public Finance Guarantee Corp. (National) (formerly known as MBIA Corporation, Inc. (MBIA)). Ambac incurred a series of ratings downgrades and filed Chapter 11 bankruptcy in November 2010 as discussed further below.

Limited Obligation School Warrants

Beginning in 2004, the Commission issued various warrants for school capital projects and improvements. The Commission entered into a Trust Indenture dated December 1, 2004, between Jefferson County, Alabama and SouthTrust Bank (on November 1, 2004, SouthTrust Corporation was acquired by Wachovia Corporation, and on December 31, 2008, Wachovia Corporation was acquired by Wells Fargo & Company), as Trustee, for the general purpose of obtaining funds for school capital projects and improvements. The Trust Indenture provides for the issuance of additional securities secured on a parity of lien with the original warrant issues. U.S. Bank National Association (U.S. Bank), as successor to SouthTrust Bank, currently serves as Trustee under the Trust Indenture.

The Limited Obligation School Warrants were subject to extraordinary mandatory redemption under the Trust Indenture, which required the Commission to make certain certifications regarding the warrants on or before October 20, 2006. No grants were made to any school board until the warrants were no longer subject to extraordinary mandatory redemption, which occurred during fiscal 2007. There were no grants to the school boards expended during fiscal 2012, 2011, 2010 or 2009.

The warrants issued under the Trust Indenture are not general obligations of the Commission, but represent limited obligations of the Commission, payable solely out of and secured by a pledge of the gross proceeds of the Education Tax as adopted on December 16, 2004, through Ordinance No. 1769.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Lease Revenue Warrants

In 2006, the Jefferson County Public Building Authority (the Building Authority) issued warrants under the August 1, 2006 Trust Indenture for related capital projects and improvements. The warrants are special, limited obligations of the Authority, payable solely from and secured by a pledge of the revenues and receipts delivered by the Authority from the leasing to Jefferson County of the warrant-financed facilities.

Jefferson County Economic and Industrial Development Authority

See Note P for warrants payable attributable to the Jefferson County Economic and Industrial Development Authority, which is included in the financial statements as a nonmajor enterprise fund.

Statement of Cash Flows

For statement of cash flows purposes, the face amount of warrants issued is reported as other financing sources. Premiums received on warrant issuances are reported as other financing sources while discounts on warrant issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual warrant proceeds received, are reported as debt (warrant) service expenditures.

Subsequent Events

See Note V - Subsequent Events, regarding discussion of events subsequent to year end that may impact the warrants payable.

The Commission filed Chapter 9 Bankruptcy in November 2011 (discussed below). See Note W - Bankruptcy and Proposed Restructuring for the proposed restructuring terms and the impact on the warrants held by the Commission.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Warrants payable consist of the following at September 30, 2012 (in thousands):

Business-Type Activities:

| | |
|---|-----------|
| Sewer Revenue Refunding Warrants, Series 1997-A, with interest paid semiannually at fixed rates ranging from 5.375% to 5.650% and annual principal payments due from 2017 to 2027 | \$ 57,030 |
| Sewer Revenue Capital Improvement Warrants, Series 2001-A, with interest paid semiannually at fixed rates of 5.00% and annual principal payments through 2020 | 10,015 |
| Sewer Revenue Capital Improvement Warrants, Series 2002-A, with interest paid monthly at variable interest rates (6.25% at September 30, 2012) and accelerated principal payments (all currently due) | 101,465 |
| Sewer Revenue Refunding Warrants, Series 2002-C, with interest paid monthly at variable interest rates or 35-day auction rates (average rate of 3.51% at September 30, 2012) with accelerated principal payments of \$436,900 (all currently due) and annual principal payments through 2040 for the balance | 806,738 |
| Sewer Revenue Refunding Warrant, Series 2003-A, with interest paid semiannually at a fixed rate of 3.10% and annual principal payments through 2015 | 11,690 |
| Sewer Revenue Refunding Warrants, Series 2003-B, with interest paid monthly at a fixed rate of 5.25% on \$79,345, a variable interest rate on \$281,260 and 35-day auction rates on \$719,375 (average rate of 2.46% at September 30, 2012) with accelerated principal payments of \$300,000 (all currently due) and annual principal payments through 2042 for the balance | 1,079,980 |
| Sewer Revenue Refunding Warrants, Series 2003-C, with interest paid monthly at 35-day auction rates (average rate of 0.56% at September 30, 2012) and annual principal payments through 2042 | 1,040,600 |
| | 3,107,518 |

Governmental Activities:

| | |
|---|---------|
| General Obligation Warrants, Series 2001-B, with interest paid monthly at variable weekly rates (average rate of 5.28% at September 30, 2012) with accelerated principal payments (all currently due) | 105,000 |
|---|---------|

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

| | |
|--|-----------|
| General Obligation Capital Improvement and Refunding Warrants, Series 2003-A, with interest paid semiannually at fixed rates ranging from 3.40% to 5.25% and annual principal payments through 2023 | 46,185 |
| General Obligation Warrants, Series 2004-A, with interest paid semiannually at fixed rates ranging from 3.70% to 5.00% and annual principal payments through 2024 | 49,335 |
| Limited Obligation School Warrants, Series 2004-A, with interest paid semiannually at fixed rates ranging from 4.75% to 5.50% and annual principal payments through 2025 | 507,635 |
| Limited Obligation School Warrants, Series 2005-A and 2005-B, with interest paid monthly at a variable rate (Series 2005-A) or auction rate (Series 2005-B) (average rate of 2.24% at September 30, 2012) and annual principal payments through 2027 | 273,925 |
| Lease Revenue Warrants, Series 2006, with interest paid semiannually at fixed rates ranging from 5.00% to 5.125% and annual principal payments through 2026 | 78,370 |
| | 1,060,450 |
| | 4,167,968 |
| Add unamortized net premiums (discounts) (net of current portion of \$36,085) | - |
| Less deferred loss from early extinguishment (net of current portion of \$258,322) | - |
| Less amounts due within one year (including acceleration of certain warrant payments and all warrants in default that may be payable on demand) | 4,167,968 |
| Warrants payable - noncurrent, net | \$ - |

See Note P for warrants payable attributable to the Jefferson County Economic and Industrial Development Authority, which is included in the financial statements as a nonmajor enterprise fund.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The following is a summary of the warrants issued by the Commission, including those outstanding as of September 30, 2012.

BUSINESS-TYPE ACTIVITIES (amounts in thousands)

Sewer Capital Improvement and Refunding Warrants

Series 1997-A Warrants

The Commission issued \$211,040 of tax-exempt Sewer Revenue Refunding Warrants, Series 1997-A under the Indenture, dated February 1, 1997. These warrants were issued to refund a portion of the Commission's outstanding sewer revenue indebtedness, other than the Sewer Revenue Warrant (SRF Warrant) referred to below.

Funds were deposited to escrow for the ultimate repayment of the Series 1992 and 1993 Warrants, and the Series 1995-A Warrants were purchased and retired with this issue. The Series 1997-A Warrants were partially refunded by the Series 2003-B and Series 2003-C Warrants, as described below. The Series 1997-A Warrants have an outstanding balance of \$57,030 at September 30, 2012.

The Series 1997-A Warrants are subject to redemption at the option of the Commission and mature or are subject to mandatory redemption in years 2017 through 2027. The Series 1997-A Warrants are insured by FGIC pursuant to a bond insurance policy issued simultaneously with the warrants.

Simultaneous with the above issue, the Commission issued the Taxable Sewer Revenue Refunding Warrants, Series 1997-C for \$52,880. The Series 1997-C Warrants were not issued to the public but were sold to the Alabama Water Pollution Control Authority in exchange for an outstanding SRF Warrant of the same principal amount. The Series 1997-C Warrants were subsequently refunded by the Series 2003-A issue described below.

Series 1997-D and Series 1999-A Warrants

Under the First Supplemental Indenture dated March 1, 1997, between Jefferson County and AmSouth Bank and the Second Supplemental Indenture dated March 1, 1999, between Jefferson County and The Bank of New York Mellon, as successor to AmSouth Bank, the Commission issued the tax-exempt Sewer Revenue Warrants and Sewer Revenue Capital Improvement Warrants, Series 1997-D and Series 1999-A in principal amounts of \$296,395 and \$952,695, respectively. The purpose of the issues was for sewer system capital improvements. Both issues were subsequently refunded by Series 2002-C, Series 2003-B and Series 2003-C Warrants (described below).

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Series 2001-A Warrants

Under the Third Supplemental Indenture dated March 1, 2001, between Jefferson County, Alabama and The Bank of New York Mellon, the Commission issued \$275,000 of tax-exempt Sewer Revenue Capital Improvements Warrants, Series 2001-A. These warrants were issued for the purpose of funding various sewer system capital improvements.

The warrants were partially refunded by the Series 2002-C, Series 2003-B and Series 2003-C Warrants, as described below. The Series 2001-A Warrants have an outstanding balance of \$10,015 at September 30, 2012. The Series 2001-A Warrants are insured by FGIC pursuant to a bond insurance policy issued simultaneously with the warrants.

Series 2002-A Warrants

Under the Fourth Supplemental Indenture dated as of February 1, 2002, between Jefferson County, Alabama and The Bank of New York Mellon, the Commission issued \$110,000 of tax-exempt Sewer Revenue Capital Improvements Warrants, Series 2002-A. These warrants were issued for the purpose of funding various sewer capital improvements. The Series 2002-A Warrants have an outstanding balance of \$101,465 at September 30, 2012. The Series 2002-C Warrants are insured by FGIC pursuant to a bond insurance policy issued simultaneously with the warrants.

A Standby Warrant Purchase Agreement with JPMorgan Chase Bank (Liquidity Provider), as discussed further below, provides for the purchase of Series 2002-A Warrants tendered for purchase in accordance with the terms of the agreement. Pursuant to the warrant holders' exercise of their rights under the Standby Warrant Purchase Agreements, the Liquidity Provider repurchased the Series 2002-A Warrants during March 2008.

Pursuant to its agreement with the Liquidity Provider under the Standby Warrant Purchase Agreement, the Commission was required to redeem the repurchased Series 2002-A Warrants on an accelerated schedule of 12 equal quarterly payments beginning on the first business day of January, April, July or October that first occurs on or following the purchase date, or April 1, 2008. During 2009, FGIC repaid the Liquidity Provider on behalf of the Commission and acquired all rights of redemption under the original warrant indenture and the Standby Warrant Purchase Agreement. The entire outstanding balance is currently payable to FGIC as of September 30, 2012.

Series 2002-B Warrants

Under the Fifth Supplemental Indenture dated as of September 1, 2002, between Jefferson County, Alabama and The Bank of New York Mellon, the Commission issued \$540,000 of tax-exempt Sewer Revenue Capital Improvements Warrants, Series 2002-B. These warrants were issued for the purpose of funding various sewer capital improvements and were fully refunded by the Series 2003-B and Series 2003-C Warrants as described below.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Series 2002-C Warrants

The Commission issued \$839,500 of tax-exempt Sewer Revenue Refunding Warrants, Series 2002-C as evidenced by the Sixth Supplemental Indenture between Jefferson County, Alabama and The Bank of New York Mellon, dated as of October 1, 2002. These warrants were issued for the purpose of refunding \$724,600 of outstanding warrants (\$180,655 of the Series 1997-D Warrants, \$445,785 of the Series 1999-A Warrants and \$98,160 of the Series 2001-A Warrants).

Of the proceeds, \$825,919 was placed in escrow for partial refunding of the specified warrants on the earliest call or maturity date for each issue. The Commission realized a loss on early refunding of warrants of approximately \$112,000, which was deferred and is being amortized over the life of the refunded warrants (25 to 39 years).

The Series 2002-C Warrants issued included \$442,400 of Variable Rate Demand Warrants and \$397,100 of auction rate warrants. The warrants are insured by Syncora pursuant to a bond insurance policy issued simultaneously with the warrants.

The Series 2002-C Warrants have an outstanding balance of \$806,738 at September 30, 2012 (\$409,638 Variable Rate Demand Warrants and \$397,100 of auction rate warrants).

Standby Warrant Purchase Agreements with various banks (Liquidity Providers), as discussed further below, provide for the purchase of Series 2002-C Variable Rate Demand Warrants tendered for purchase in accordance with the terms of the agreement. Pursuant to the warrant holders' exercise of their rights under the Standby Warrant Purchase Agreements, the Liquidity Providers repurchased \$436,900 of the Series 2002-C Variable Rate Demand Warrants in March 2008.

Pursuant to its agreement with the Liquidity Providers, the Commission was required to redeem the repurchased Series 2002-C Warrants on an accelerated schedule of 16 equal quarterly payments beginning on the first business day of January, April, July or October that first occurs on or following the purchase date, or April 1, 2008. During fiscal year 2009, Syncora repaid the Liquidity Provider \$81,934 of the outstanding warrants on behalf of the Commission acquiring the associated rights of redemption under the original warrant indentures and the Standby Warrant Purchase Agreements. The total amount currently payable at September 30, 2012 is \$436,900.

Series 2002-D Warrants

The Commission issued \$475,000 of Sewer Revenue Capital Improvement Warrants, Series 2002-D dated as of November 1, 2002, for the purpose of funding various sewer improvements as evidenced by the Seventh Supplemental Indenture between Jefferson County, Alabama and The Bank of New York Mellon. This issue was refunded with \$27,780 from the Series 2003-B Warrants and \$447,220 from the Series 2003-C Warrants within the same fiscal year, and there was no gain or loss recorded on the refunding.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Series 2003-A Warrants

The Commission issued a \$41,820 taxable Sewer Revenue Refunding Warrant, Series 2003-A as evidenced by the Eighth Supplemental Indenture between Jefferson County, Alabama and The Bank of New York Mellon dated as of January 1, 2003. This warrant was issued for the purpose of refunding \$41,820 (remaining balance) of the Series 1997-C Warrants. The Series 1997-C Warrant was canceled and, due to the warrant being issued to the State of Alabama (Alabama Water Pollution Control Authority) with no issuance costs involved, there was no loss on early retirement recorded. The Series 2003-A Warrant has an outstanding balance of \$11,690 at September 30, 2012.

Series 2003-B Warrants

The Commission issued \$1,155,765 of tax-exempt Sewer Revenue Refunding Warrants, Series 2003-B as evidenced by the Ninth Supplemental Indenture between Jefferson County, Alabama and The Bank of New York Mellon dated as of April 1, 2003. These warrants were issued for the purpose of refunding \$922,635 of outstanding warrants (\$128,770 of the 1997-A Warrants, \$71,980 of the Series 1997-D Warrants, \$373,320 of the Series 1999-A Warrants, \$113,865 of the Series 2001-A Warrants, \$206,920 of the Series 2002-B Warrants and \$27,780 of the Series 2002-D Warrants).

Of the proceeds, \$1,144,919 was placed in escrow for partial refunding of the specified warrants on the earliest call or maturity date for each issue. The Commission realized a loss on early refunding of warrants of approximately \$122,000, which was deferred and is being amortized over the life of the refunded warrants (25 to 39 years). The Series 2003-B Warrants issued included \$119,965 of fixed rate warrants, \$300,000 of Variable Rate Demand Warrants and \$735,800 of auction rate warrants. The warrants are insured by AGM (fixed rate), Syncora (variable rate) and FGIC (auction rate) pursuant to bond insurance policies issued simultaneously with the warrants.

The Series 2003-B Warrants have an outstanding balance of \$1,079,980 (\$79,345 fixed interest, \$281,260 variable interest and \$719,375 auction rate) at September 30, 2012.

Standby Warrant Purchase Agreements with various banks (Liquidity Providers), as discussed further below, provide for the purchase of Series 2003-B Variable Rate Demand Warrants tendered for purchase in accordance with the terms of the agreements. Pursuant to the warrant holders' exercise of their rights under the Standby Warrant Purchase Agreements, the Liquidity Providers repurchased the \$300,000 Series 2003-B Variable Rate Demand Warrants in March 2008.

Pursuant to its agreement with the Liquidity Providers, the Commission was required to redeem the repurchased Series 2003-B Warrants on an accelerated schedule of 16 equal quarterly payments beginning on the first business day of January, April, July or October that first occurs on or following the purchase date, or April 2008.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The Commission made an accelerated payment of \$18,740 during fiscal 2008. During fiscal year 2009, Syncora repaid the Liquidity Provider \$56,255 of the outstanding warrants on behalf of the Commission, thus acquiring the associated rights of redemption under the original warrant indentures and the Standby Warrant Purchase Agreements. The total amount payable as of September 30, 2012 is \$281,260.

Series 2003-C Warrants

The Commission issued \$1,052,025 of tax-exempt Sewer Revenue Refunding Warrants, Series 2003-C with the Tenth Supplemental Indenture between Jefferson County, Alabama and The Bank of New York Mellon dated August 1, 2003. These warrants were issued for the purpose of refunding \$1,027,800 of outstanding warrants (\$22,540 of the Series 1997-A Warrants, \$43,760 of the Series 1997-D Warrants, \$133,590 of the Series 1999-A Warrants, \$47,610 of the Series 2001-A Warrants, \$333,080 of the Series 2002-B Warrants and \$447,220 of the Series 2002-D Warrants). The Series 2003-C Warrants are auction rate warrants and are insured by AGM and FGIC under bond insurance policies issued simultaneously with the warrants.

Of the proceeds, \$71,300 was placed in escrow for future debt service requirements, and \$956,500 was placed in escrow for partial refunding of the specified warrants on the earliest call or maturity date for each issue. The Commission realized a loss on early refunding of warrants of approximately \$124,000, which was deferred and is being amortized over the life of the refunded warrants (25 to 39 years). The Series 2003-C Warrants have an outstanding balance of \$1,040,600 at September 30, 2012.

Subsequent Payments on Warrants Outstanding

Subsequent to September 30, 2012 and through the current date, certain scheduled principal or interest payments related to the Series 2001-A, 2003-A, 2003-B and 2003-C Sewer Warrants were not made as scheduled. The Trustee suspended payment of certain principal and interest payments on such warrants. The Commission has continued to remit all net revenues of the sanitary sewer system to the Trustee subsequent to the Trustee's suspension of debt service payments. See Note V - Subsequent Events and Note W - Bankruptcy and Proposed Restructuring for further discussion.

GOVERNMENTAL ACTIVITIES (amounts in thousands)

General Obligation Warrants

General Obligation Warrants, Series 2001-A

The Commission issued \$82,000 of tax-exempt General Obligation Warrants, Series 2001-A (GO Series 2001-A Warrants) dated April 1, 2001. These warrants were issued for the purpose of refunding the Commission's General Obligation Warrants, Series 2000, acquiring, constructing and equipping various capital improvements to Jefferson County's facilities and for the related warrant issuance costs. The GO Series 2001-A Warrants were repaid during 2011.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

General Obligation Warrants, Series 2001-B

On July 19, 2001, the Commission issued \$120,000 of tax-exempt General Obligation Warrants, Series 2001-B (GO Series 2001-B Warrants). These warrants were issued for the purpose of refunding the County's General Obligation Warrants, Series 1996 (Landfill Operations) and Series 1999 and related issuance costs. The GO Series 2001-B Warrants have an outstanding balance of \$105,000 at September 30, 2012.

Approximately \$19,200 of the original issue was used to refund debt for the Landfill Operations Fund, of which \$16,800 is the outstanding balance at September 30, 2012. The interfund balance due from the Landfill Operations Fund to the Debt Service Fund, related to interest expense, at September 30, 2012, is \$76.

Standby Warrant Purchase Agreements with Morgan Guaranty Trust Company of New York (a wholly-owned subsidiary of JPMorgan Chase & Co.) and Bayerische Landesbank Girozentrale (GO Liquidity Providers), as discussed further below, provide for the purchase of Series 2001-B Variable Rate Demand Warrants tendered for purchase in accordance with the terms of the agreement. Pursuant to the warrant holders' exercise of their rights under the Standby Warrant Purchase Agreements, the GO Liquidity Providers repurchased the GO Series 2001-B Warrants during March 2008.

Pursuant to its agreements with the GO Liquidity Providers, the Commission was required to redeem the GO Series 2001-B Warrants on an accelerated schedule of six equal semiannual payments beginning six months from the date of purchase (2008). During fiscal year 2009, the Commission paid a total of \$15,000 of the outstanding obligations to the GO Liquidity Providers. No additional payments were made on the warrants. The remaining balance of \$105,000 is payable to the GO Series 2001-B Liquidity Providers at September 30, 2012.

The Commission received notices of Events of Default dated September 15, 2008, from JPMorgan Chase under the Standby Warrant Purchase Agreement and from The Bank of New York Mellon, Trustee, dated July 30, 2009, as discussed in detail below.

General Obligation Capital Improvement and Refunding Warrants, Series 2003-A

On March 1, 2003, the Commission issued \$94,000 of tax-exempt General Obligation Capital Improvement and Refunding Warrants, Series 2003-A (GO Series 2003-A Warrants). These warrants were issued for the purpose of refunding the Commission's outstanding General Obligation Warrants, Series 1993, for capital expenditures and payment of related issuance costs. The GO Series 2003-A Warrants are insured by a bond insurance policy issued by National (formerly known as MBIA). The GO Series 2003-A Warrants have an outstanding balance of \$46,185 at September 30, 2012.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

There were payment defaults for the April 1, 2012, October 1, 2012 and April 1, 2013, payments due, whereby the bond insurer, National, made payments on behalf of the Commission. See Events of Default below for further discussion.

General Obligation Capital Improvement Warrants, Series 2004-A

On August 1, 2004, the Commission issued \$51,020 of tax-exempt General Obligation Warrants, Series 2004-A (GO Series 2004-A Warrants). These warrants were issued for the purpose of various capital improvements for the Commission and payment of the related issuance costs. The GO Series 2004-A Warrants are insured by a bond insurance policy issued by National (formerly known as MBIA). The GO Series 2004-A Warrants have an outstanding balance of \$49,335 at September 30, 2012.

There were payment defaults for the April 1, 2012, October 1, 2012 and April 1, 2013, payments due, whereby the bond insurer, National, made payments on behalf of the Commission. See Events of Default below for further discussion.

Limited Obligation School Warrants

Limited Obligation School Warrants, Series 2004-A

The Commission issued \$650,000 of tax-exempt Limited Obligation School Warrants, Series 2004-A (LO Series 2004-A Warrants) under the Trust Indenture dated December 1, 2004 (Trust Indenture), between the Commission and U.S. Bank. These warrants were issued for the purpose of making grants to 11 local school boards operating in Jefferson County for capital improvement projects and for retirement of certain debt of the school boards. The repayment obligations related to the LO Series 2004-A Warrants are secured by the gross proceeds of a special education tax (Pledged Education Tax Proceeds). The LO Series 2004-A Warrants have an outstanding balance of \$507,635 at September 30, 2012.

A Notice of Default was issued by U.S. Bank dated December 28, 2009 regarding a deficiency in the Reserve Fund Requirements. In addition, the Trustee notified warrant holders of continuing or additional Events of Default due to the Chapter 9 Bankruptcy filing of the Commission on November 9, 2011. See Events of Default below for further discussion.

Limited Obligation School Warrants, Series 2005-A and 2005-B

The Commission issued \$400,000 (\$200,000 for each of the Series 2005-A and Series 2005-B) of tax-exempt Limited Obligation School Warrants, Series 2005-A and 2005-B (LO Series 2005-A and 2005-B Warrants) under the First Supplemental Indenture between Jefferson County and Wells Fargo Bank (formerly Wachovia Bank, N.A.), dated January 1, 2005. These warrants were issued for the purpose of making grants to 11 local school boards operating in Jefferson County for capital improvement projects and school board debt retirement.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The repayment obligations related to the LO Series 2005-A and 2005-B Warrants are secured by the gross proceeds of a special education tax (Pledged Education Tax Proceeds). The LO Series 2005-A and 2005-B Warrants have an outstanding balance of \$273,925 at September 30, 2012.

The LO Series 2005-A and 2005-B Warrants are insured by a bond insurance policy issued by Ambac (Ambac filed bankruptcy in November 2010 - see discussion below).

A Standby Warrant Purchase Agreement dated January 1, 2005, with Depfa Bank PLC (LO Liquidity Provider), as discussed further below, provides for the purchase of LO Series 2005-B Warrants tendered for purchase in accordance with the terms of the agreement. Depfa Bank became a holder of approximately \$179,750 of tendered warrants on February 14, 2008, pursuant to the Standby Warrant Purchase Agreement for the LO Series 2005-B Variable Rate Demand Warrants.

The Trust Indenture requires mandatory redemption on March 1 of each year to the extent of any excess monies accumulated in the Redemption Fund. No redemptions were made during fiscal 2012. However, excess proceeds were transferred in December 2012 for mandatory redemptions in March 2013. See Event of Default discussion below and in Note V - Subsequent Events.

A Notice of Default was issued by U.S. Bank dated December 28, 2009, related to the LO Series 2005-A and 2005-B Warrants primarily due to a failure to satisfy covenants set forth in the Indenture related to the Reserve Fund Requirements. The reserve was subsequently replenished in fiscal 2012; however, the Trustee determined that the Event of Default was not extinguished. In addition, certain excess proceeds are being held by the Commission that are subject to remittance to the Trustee under the Indenture. See Events of Default below for further discussion.

The LO Liquidity Provider (Depfa Bank PLC) also notified the Commission of certain Events of Default related to the Series 2005-B Warrants under the Standby Warrant Purchase Agreement, including the failure to give priority to redemption of Bank Warrants held by Depfa Bank PLC for the excess pledged education tax revenues. The Commission entered into a Plan Support Agreement dated February 11, 2013, with Depfa Bank PLC. See further discussion in Note V - Subsequent Events for the February 15, 2013, Material Event Notice.

In addition, the Trustee has notified warrant holders of continuing or additional Events of Default due to the Chapter 9 Bankruptcy filing of the Commission on November 9, 2011, and the failure to transfer Excess Proceeds for mandatory redemptions in accordance with the Indenture. See Events of Default below for further discussion.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Lease Revenue Warrants, Series 2006

On August 1, 2006, the Jefferson County Public Building Authority (the Building Authority) issued \$86,745 of tax-exempt Lease Revenue Warrants, Series 2006 (LR Series 2006 Warrants). These warrants were issued for the purposes of financing capital projects for the Jefferson County Public Building Authority, including a new courthouse in Bessemer, renovation of the existing courthouse and county jail in Bessemer and construction of an E911 communications center office building, providing a debt service reserve fund and paying related issuance costs.

While the Commission is not the issuer of the LR Series 2006 Warrants, the Building Authority's payment obligations under the LR Series 2006 Warrants are secured by lease revenues generated by the Commission's lease of the above-referenced buildings from the Building Authority. The LR Series 2006 Warrants are secured by a bond insurance policy issued by Ambac (Ambac filed bankruptcy in November 2010 - see below). The outstanding principal balance of the LR Series 2006 Warrants was \$78,370 at September 30, 2012. Also, see Note V for subsequent events related to the lease.

The following is a summary of warrant transactions for the Commission for the year ended September 30, 2012. Activity related to the long-term debt is as follows:

| Issue | Balance at September 30, 2011 | Additions | Payments | Balance at September 30, 2012 | Due within One Year |
|----------------------------------|-------------------------------------|-------------|------------------|-------------------------------------|------------------------|
| Business-Type Activities: | | | | | |
| Series 1997-A Warrants | \$ 57,030 | \$ - | \$ - | \$ 57,030 | \$ 57,030 |
| Series 2001-A Warrants | 11,010 | - | 995 | 10,015 | 10,015 |
| Series 2002-A Warrants | 101,465 | - | - | 101,465 | 101,465 |
| Series 2002-C Warrants | 806,738 | - | - | 806,738 | 806,738 |
| Series 2003-A Warrants | 15,280 | - | 3,590 | 11,690 | 11,690 |
| Series 2003-B Warrants | 1,100,830 | - | 20,850 | 1,079,980 | 1,079,980 |
| Series 2003-C Warrants | 1,043,625 | - | 3,025 | 1,040,600 | 1,040,600 |
| | <u>3,135,978</u> | - | <u>28,460</u> | <u>3,107,518</u> | <u>3,107,518</u> |
| Governmental Activities: | | | | | |
| Series 2001-B GO Warrants | 105,000 | - | - | 105,000 | 105,000 |
| Series 2003-A GO Warrants | 46,185 | - | - | 46,185 | 46,185 |
| Series 2004-A GO Warrants | 49,335 | - | - | 49,335 | 49,335 |
| Series 2004-A LO Warrants | 534,400 | - | 26,765 | 507,635 | 507,635 |
| Series 2005-A&B LO Warrants | 279,675 | - | 5,750 | 273,925 | 273,925 |
| Series 2006 Lease Warrants | 82,500 | - | 4,130 | 78,370 | 78,370 |
| | <u>1,097,095</u> | - | <u>36,645</u> | <u>1,060,450</u> | <u>1,060,450</u> |
| | <u>\$ 4,233,073</u> | <u>\$ -</u> | <u>\$ 65,105</u> | <u>\$ 4,167,968</u> | <u>\$ 4,167,968</u> |

Also, see Note P for warrants payable attributable to the Jefferson County Economic and Industrial Development Authority, which is included in the financial statements as a nonmajor enterprise fund.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Payments above do not include any payments made on behalf of the Commission by the municipal insurers or banks under the Standby Warrant Purchase Agreements as these amounts are still outstanding at September 30, 2012. Therefore, the balances payable reported in the above table include amounts due to warrant holders, banks and liquidity providers and municipal bond insurers.

Standby Warrant Purchase Agreements

Under the terms of the Indenture and Trust Indenture, holders of certain Variable Rate Demand Warrants (Business-Type Activities - Series 2002-A, 2002-C and 2003-B and Governmental Activities - Series 2001-B and 2005-B) had the right to tender such warrants for purchase in whole or in part on any business day at a purchase price equal to 100 percent of the principal amounts of such warrants.

The Commission entered into Standby Warrant Purchase Agreements between 2001 and 2005 with various banks (Liquidity Providers), which provide for the purchase of such Variable Rate Demand Warrants that are subject to purchase pursuant to the optional tender terms and conditions of the related Sewer Warrants Indenture or Governmental Warrants Trust Indentures, but not remarketed. Under the terms of these Standby Warrant Purchase Agreements, substantially all of the warrants subject to such agreements were tendered during 2008 by the warrant holders for repurchase by the banks (Liquidity Providers).

The repurchase of warrants by the Liquidity Providers resulted in the acceleration of certain warrant payments (under optional and mandatory tender of warrants), as these warrants (with the exception of the LO Series 2005-B Warrants) basically were payable over a three- or four-year period from the date of optional tender.

The Commission entered into certain Forbearance Agreements to forbear any action while efforts were made to restructure the warrant obligations. However, such Forbearance Agreements (and any related extensions) expired in June and July 2009 rendering certain payments due to the Liquidity Providers under the terms of the various Standby Warrant Purchase Agreements. All such warrants under accelerated payment schedules are currently due and payable at September 30, 2012.

Ultimately, the accelerated schedules have resulted in notices of default and events of default on certain warrant and related agreements, as neither the Commission nor the majority of bond insurers have been able to repay the warrants on the accelerated maturity schedules. See discussion below regarding the Forbearance Agreements and Events of Default on the Standby Warrant Purchase Agreements.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Events of Default

The Trustees issued Notices of Default for the Indenture and Trust Indenture that stated the circumstances described therein will become Events of Default if not cured within 30 days of the date of the notices, as follows:

Business-Type Activities

Trustee Notices of Default

October 15, 2008 - The Trustee delivered a Notice of Default to the Commission by letter dated October 15, 2008, pursuant to Section 13.1(c) of the Indenture. The Trustee gave notice that covenant defaults have occurred and are continuing as a result of the failure of the Commission (a) to apply the monies in the Revenue Account that remain after the payment of Operating Expenses for payment into the Debt Service Fund, the Reserve Fund, the Rate Stabilization Fund and the Depreciation Fund, in such order and in such amounts and at such times as required by the Indenture, (b) to fix, revise and maintain such rates for services furnished by the Sewer System as shall be sufficient (i) to provide for the payment of the interest and premium (if any) on and the principal of the parity securities, as and when the same shall become due and payable, (ii) to provide for the payment of the Operating Expenses and (iii) to enable the Commission to perform and comply with all of its covenants contained in the Indenture, in each case as required by Section 12.5(a) of the Indenture and (c) to make from time to time, to the extent permitted by law, such increases and other changes in such rates and charges as may be necessary to comply with the provision of Section 12.5(a) of the Indenture, as required by Section 12.5(b) of the Indenture. These covenant defaults became Events of Default under Section 13.1(c) when not cured within 30 days of the date of the Notice of Default.

The Notice of Default also states that certain Events of Default under the Indenture have occurred and are continuing (a) under Section 13.1(a) of the indenture as a result of the failure of the Commission to make payment of approximately \$87,473 in principal installments due on parity securities previously called for redemption on June 1, August 1 and October 1, 2008, pursuant to the terms of the Indenture and certain Standby Warrant Purchase Agreements executed by the Commission and certain liquidity banks in connection with the issue of certain of the parity securities outstanding under the Indenture and (b) under Section 13.1(b) of the Indenture as a result of the failure of the Commission to comply with the Rate Covenant set forth in Section 12.5(b) of the Indenture.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

As discussed in a September 22, 2008, Material Event Notice, the Trustee, at the direction of FGIC and Syncora, filed a lawsuit against the Commission seeking, among other relief, the appointment of a receiver over the County Sewer System. The lawsuit is pending in the U.S. District Court, Northern District of Alabama. A receiver was appointed for the Commission in fiscal 2011 but subsequently dismissed after the Commission filed bankruptcy in November 2011. See Notes S and V for Contingent Liabilities and Litigation and Subsequent Events, respectively, for further discussion.

November 14, 2008 - The Trustee delivered a Notice of Default to the Commission by letter dated November 14, 2008, pursuant to Section 13.1(c) of the Indenture. The Trustee gave notice that covenant defaults have occurred and are continuing as a result of the failure of the Commission to (a) pay into the Reserve Fund on or before September 15, 2008 and October 15, 2008, amounts required by Section 11.3 of the Indenture for the purpose of restoring the balance of the Reserve Fund to the Reserve Fund Requirement and (b) to pay into the Reserve Fund monthly payments for the months of September and October 2008, required by Section 11.11 of the Indenture as a result of the downgrade in the respective ratings of Syncora and FGIC. These covenant defaults became Events of Default under Section 13.1(c) of the Indenture when not cured within 30 days of the date of the notice.

December 19, 2008 - The Trustee delivered a Notice of Default to the Commission by letter dated December 19, 2008, pursuant to Section 13.1(c) of the Indenture. The Notice of Default states that Jefferson County is in violation of certain covenants set forth in the Indenture (including failure to comply with Section 12.5(c) of the Indenture which requires certain calculations to determine compliance with the Rate Covenant) and that such covenant defaults became Events of Default, as defined in Section 13.1(c) of the Indenture, when not cured within 30 days of the date of the Notice of Default.

The Notice of Default also states that certain Events of Default have occurred, resulting from failure to comply with Sections 11.3 and 11.11 of the Indenture which requires the Reserve Fund balance to be restored on or before November and December 2008, as a result of the downgrade in the respective ratings of Syncora and FGIC. The Notice also disclosed that the net sewer revenues have not been sufficient to meet the debt service requirements on the Warrants in recent months, prior to December 19, 2008, due to the extraordinary increases in interest cost experienced by the Commission on the Variable Rate Demand and Auction Rate Warrants, as described in prior Notices.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The Trustee was required to draw on the Debt Service Reserve Funds established under the Indenture, including the surety bonds held therein, to pay a portion of the debt service on the Warrants that were due in September, October, November and December 2008 totaling \$40,918 of draws on the Reserve Fund. If net sewer revenues continue to be insufficient to meet the debt service obligations of the Warrants, the Trustee will be required to draw first on the Reserve Fund and then, if necessary, on the municipal bond insurance policies insuring the warrants to cover any deficiency.

February 17, 2009 - The Trustee delivered a Notice of Default to the Commission dated February 17, 2009, pursuant to Section 13.1(c) of the Indenture. The Notice of Default states that the Commission is in violation of certain covenants set forth in the Indenture and such covenant defaults became Events of Default when not cured within 30 days of the notice date.

The Trustee gave notice that a covenant default has occurred and is continuing as a result of the failure of the Commission to comply with Section 12.5(c) of the Indenture that requires the review and adjustment of customer sewer rates and charges and the implementation of a rate increase no later than January 1, 2009, to allow compliance with the Rate Covenant of the Indenture.

The Trustee further notified the Commission of the covenant default that occurred and is continuing as a result of failure to comply with the provisions of the Indenture to restore the Reserve Fund to the levels required under the Indenture. In addition, the covenant defaults discussed in the Notices dated October 15, 2008 and December 19, 2008 (discussed above), have continued and are Events of Default under Section 13.1(c) of the Indenture when not cured within 30 days of the dates of those notices.

Events of Default under the Indenture have occurred and are continuing under Section 13.1(a) of the Indenture as a result of the failure of the Commission to make payment of approximately \$158,885 in principal payments due on Warrants called for redemption on June 1, August 1 and October 1, 2008 and January 1, 2009, pursuant to the terms of the Indenture and certain Standby Warrant Purchase Agreements (discussed above) and under Section 13.1(b) of the Indenture as a result of the failure to comply with the Rate Covenant set forth in Section 12.5(b) of the Indenture.

March 24, 2009 - The Trustee delivered a Notice of Default to the Commission dated March 24, 2009, that covenant defaults have occurred and are continuing as a result of the failure to comply with the provisions of Section 4.4 of the Third Supplemental Indenture requiring the repayment of draws under the Reserve Policy and related expenses incurred by the bond insurer (plus any accrued interest) and requiring that the Rate Covenant in the Indenture provide at least one times coverage of the Commission's obligations. These covenant defaults became Events of Default when not cured within 30 days of the date of the Notice.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The Trustee further notified the Commission of the covenant default that occurred as a result of failure to comply with the provisions of the Indenture to restore the Reserve Fund to the levels required under Section 11.3 of the Indenture and to pay into the Reserve Fund monthly payments required by Section 11.11 of the Indenture as a result of the downgrade in the respective ratings of Syncora and FGIC.

February 3, 2010 - The Trustee delivered a Notice of Default to the Commission dated February 3, 2010, pursuant to Section 13.1(c) of the Indenture. The Trustee issued a demand for the Commission to cure its covenant defaults and the Events of Default which continue unabated.

The Trustee notified the Commission of failure to comply with Sections 11.3 and 11.11 for failure to restore the Reserve Fund to the Reserve Fund Requirement; failure to comply with Section 12.2 and to furnish the audit within 180 days of year end; failure to comply with Section 12.5 to increase the rates and charges to comply with the Rate Covenant on January 1, 2010, and the continuation of other notices given on March 24, 2009, February 17, 2009, December 19, 2008 and October 15, 2008 (as discussed above).

In addition, as a result of the notices of events of default, the interest rates on certain warrants and related agreements have increased to the default rate of interest, which is a much higher rate than that previously incurred by the Commission. See below for a discussion of the impact on interest rates and payments.

Events of Default under Standby Warrant Purchase Agreements

The holders of the Variable Rate Demand Sewer Revenue Warrants had the right to tender such warrants for purchase at par plus accrued interest upon seven days' notice. Also, under certain circumstances, the holders of Variable Rate Demand Sewer Revenue Warrants are required to surrender such warrants for purchase (i.e., a mandatory tender) at par, plus accrued interest. To provide a source of funds for the payment of the purchase price of such tendered warrants, the Commission entered into Standby Warrant Purchase Agreements (each, a Liquidity Facility) with JPMorgan Chase Bank (Liquidity Agent) and various banks (each, a Liquidity Provider).

Any tendered Variable Rate Demand Sewer Revenue Warrant that is purchased by the applicable Liquidity Provider (a Bank Warrant) will bear interest at a higher rate (either the Bank Rate or the Default Rate) during the period in which it is held by such Liquidity Provider. The Bank Rates specified under the Liquidity Facilities range from one percent to three percent over the Liquidity Provider's Base Rate, depending on how long the warrant is held as a Bank Warrant. The Base Rate is generally the greater of the federal funds rate plus one-half of one percent, or the prime rate adopted by the Liquidity Provider. Upon the occurrence and during the continuation of an event of default under a Liquidity Facility, interest on Bank Warrants purchased by such Liquidity Provider accrues at the Default Rate, which ranges from two percent to three percent over the Bank Rate under the Liquidity Facilities.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Also, the Commission covenanted in each Liquidity Facility to effect an optional redemption of Bank Warrants in 12 or 16 equal quarterly principal installments, with the first installment being payable on the first business day of January, April, July or October that first occurs on or following the purchase date for the Bank Warrants in question. Such obligation to redeem a particular Bank Warrant will terminate when that warrant is remarketed or refinanced.

The ratings downgrades reported in the Material Event Notices below for FGIC and Syncora constitute an event of default under the Standby Warrant Purchase Agreement for each of the Liquidity Facilities. As a result of the reported event of default, each Liquidity Provider has the right to terminate its respective Liquidity Facility upon at least 25 days' notice. On September 11, 2008, a termination notice was delivered on the Series 2002-A Standby Warrant Purchase Agreement to the Trustee pursuant to Section 8.02(b) of the Liquidity Facility. See Termination of Standby Warrant Purchase Agreement - Series 2002-A below for further discussion.

The ratings downgrade and event of default, among other events, have resulted in holders of the Variable Rate Demand Sewer Revenue Warrants tendering such warrants to the Liquidity Providers for payment. Pursuant to the warrant holders' exercise of their rights under the Standby Warrant Purchase Agreements, the Liquidity Providers have repurchased all of the Variable Rate Demand Sewer Revenue Warrants (Series 2002-A Warrants, Series 2002-C Warrants and Series 2003-B Warrants) as of October 31, 2008, none of which have been remarketed as of such date.

The Liquidity Facility Agreement with the Liquidity Providers for certain of these warrants (Series 2002-C and Series 2003-B) expired during fiscal 2008 (Series 2002-A was to expire in February 2009 but was terminated in September 2008 - see below). The Commission received a Notice of Redemption of Bank Warrants dated April 15, 2008, relating to the Standby Warrant Purchase Agreements. The tendered warrants were to be repaid by the Commission, if such warrants are not remarketed, over an accelerated schedule equal to 16 equal semiannual installments from the date the banks (Liquidity Providers) purchased such warrants (2008) (except for the Series 2002-A Warrants as discussed below under Termination of Standby Warrant Purchase Agreement - Series 2002-A).

The Liquidity Agent (JPMorgan Chase Bank) entered into Redemption Date Deferral Agreements with the Commission related to the Series 2002-C-2 warrants to defer the payments due to the Liquidity Agent and Providers to February 20, 2009, if a partial payment of \$4,605 (originally due on December 8, 2008) was made by the Commission on or before January 2, 2009.

In addition, the Commission entered into forbearance agreements with the Liquidity Providers (Liquidity Agreement Forbearance Agreements - discussed below) and repaid a portion of the outstanding obligation for the tendered warrants. However, all Forbearance Agreements subsequently expired.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The Commission defaulted on its obligation to redeem the Variable Rate Demand Sewer Revenue Warrants (Series 2002-A, Series 2002-C and Series 2003-B Warrants) on the accelerated 12 or 16 installment timeframe. As a result, Syncora purchased Variable Rate Demand Sewer Revenue Warrants (Series 2002-C Warrants and Series 2003-B Warrants) from the Liquidity Providers in an aggregate principal amount of \$109,196 pursuant to claims on bond insurance policies provided by Syncora for those Warrants.

Syncora and the Liquidity Providers subsequently entered into a Settlement Agreement dated as of April 7, 2010, whereby Syncora was relieved of further payments under its bond insurance policies for the Variable Rate Demand Sewer Revenue Warrants (Series 2002-C Warrants and Series 2003-B Warrants) in exchange for multiple lump-sum payments to the Liquidity Providers. The outstanding balance for the Variable Rate Demand Sewer Revenue Warrants (Series 2002-C and Series 2003-B Warrants) is payable as of September 30, 2012.

Termination of Standby Warrant Purchase Agreement - Series 2002-A

The holders of the Series 2002-A Warrants had the right to tender the warrants for purchase at par plus accrued interest with seven days' notice. Under certain circumstances, the holders of the Series 2002-A Warrants are required to surrender the warrants for the purchase at par plus accrued interest. The Series 2002-A Warrants were insured by FGIC.

On September 11, 2008, the Liquidity Provider delivered a Termination Notice to the Trustee pursuant to Section 8.02(b) of the Liquidity Facility. The notice cited the occurrence and continuation of an Event of Default specified in Section 8.01(o) of the Liquidity Facility, relating to the downgrade of FGIC, as the grounds for the termination of the Liquidity Facility. Pursuant to the Termination Notice and Section 8.02(b) of the Liquidity Facility, the Liquidity Facility terminated 20 days after the receipt by the Trustee of the Termination Notice. As a result of the Termination Notice, the holders of the Series 2002-A Warrants were required to tender such warrants for the purchase pursuant to the mandatory tender provisions of the Indenture prior to the termination of the Liquidity Facility.

Pursuant to the Liquidity Facility and related Event of Default, the Commission was required to redeem all Series 2002-A Warrants held by the Liquidity Provider in four equal quarterly installments, beginning October 1, 2008. During 2009, FGIC repaid the Liquidity Provider on behalf of the Commission, and the entire outstanding balance for Series 2002-A Warrants is currently payable to FGIC.

Liquidity Facility Forbearance Agreements

As a result of certain events of default, which are described above related to the Standby Warrant Purchase Agreement (Liquidity Facility), on March 31, 2008, the Commission entered into separate Forbearance Agreements and Reservation of Rights (collectively, the Liquidity Facility Forbearance Agreements) with each bank (Liquidity Provider), JPMorgan Chase Bank (Liquidity Agent), The Bank of New York Mellon (Trustee), Syncora and FGIC.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The Liquidity Facility Forbearance Agreements generally provided that, during the forbearance period, the Liquidity Providers will forbear from exercising any rights or remedies that the Liquidity Providers have or may have, now or hereafter, arising during the forbearance period as a result of any and all defaults and events of default existing under the Liquidity Facilities.

The initial forbearance period expired on April 15, 2008, and was extended over multiple periods and ultimately expired on July 31, 2009 (JPMorgan Chase Bank) or June 30, 2009 (all others), subject to termination at any time at the discretion of the Liquidity Providers.

Certain warrants incur interest at variable rates of interest based on current market rates or auction rates, which are reset every 35 days.

The Maximum Auction Rate under the Indenture is the lower of 18 percent or the Applicable Percentage (shown below) times the higher of (a) the one-month LIBOR rate or (b) the After-Tax Equivalent Rate. The ratings used to determine the "Applicable Percentage" are those assigned by S&P and Moody's, with the lower rating controlling if those two ratings are at different levels.

| Prevailing Rating | Applicable Percentage |
|--------------------------|------------------------------|
| AAA/Aaa | 125% |
| AA/Aa | 150% |
| A/A | 200% |
| BBB/Baa | 250% |
| Below BBB/Baa | 275% |

In addition, the defaults on certain warrants or the Standby Warrant Purchase Agreements have resulted in default rates of interest incurred by the Commission. See separate discussion regarding the Events of Default.

Governmental Activities

Notice of Event of Default - General Obligation Warrants, Series 2001-B

The holders of the GO Series 2001-B Warrants had the right to tender such Warrants for purchase at par, plus accrued interest. In order to provide a source of funds for the payment of the GO Series 2001-B Warrants that are subject to an optional or mandatory tender, the Commission entered into Standby Warrant Purchase Agreements (the GO Series 2001-B Liquidity Facility) with two banks, each of which are a GO Liquidity Provider. The GO Series 2001-B Warrant holders began tendering the Warrants for purchase in March 2008. Subsequent to that date, all of the \$120,000 principal amount of the GO Series 2001-B Warrants were tendered to the GO Liquidity Providers, none of which was subsequently remarketed.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The GO Series 2001-B Warrants held by the GO Liquidity Providers bear interest as provided in the Series 2001-B Liquidity Facility at the rate equal to the Liquidity Provider's prime rate plus one percent until the earlier of (a) the date they are remarketed and (b) the expiration date of the Series 2001-B Liquidity Facility and, thereafter, the rate equal to the Liquidity Provider's prime rate plus three percent. As of July 31, 2008, interest on the tendered warrants accrues at the default rate of interest.

Pursuant to the agreements with the GO Liquidity Providers under the Standby Warrant Purchase Agreements, the Commission was required to redeem the tendered GO Series 2001-B Warrants in six equal semiannual installments beginning six months from the date of tender (2008) since such Warrants were not remarketed prior to the redemption dates.

The Commission received a Notice of Event of Default on the Standby Warrant Purchase Agreement related to the GO Series 2001-B Warrants from JPMorgan Chase Bank dated September 15, 2008, under Sections 8.01(l) and 2.08(b) of the Standby Warrant Purchase Agreement, as a result of the failure of the Commission to make the principal installment payments due to each GO Liquidity Provider that were due on September 15, 2008.

On September 15, 2008, the Commission entered into separate forbearance agreements with the GO Liquidity Providers to forbear the warrants that were due until September 30, 2008 (subsequently extended to September 14, 2009). The forbearance agreements, among other items, state that the GO Liquidity Providers will not exercise their rights under the agreement. On March 13, 2008, pursuant to the Standby Warrant Purchase Agreement, the Liquidity Providers repurchased Warrants in the aggregate principal amount of \$118,740. The Liquidity Providers eventually repurchased additional Warrants in the aggregate principal amount of \$510 pursuant to the Standby Warrant Purchase Agreement. Bayerische Landesbank Gironzentrale subsequently purchased additional warrants in the aggregate principal amount of \$750 from a warrant holder that failed to tender its Warrants under the Standby Purchase Agreement in 2008. The \$105,000 balance outstanding at September 30, 2012, \$103,740 is currently due and payable.

The Commission received a Notice of Event of Default dated July 30, 2009, from The Bank of New York Mellon, as Indenture Trustee, stating that an event of default had occurred under the Indenture due to the Commission's failure to pay certain principal payments due on the GO Series 2001-B Variable Rate Demand Warrants under the accelerated repayment terms for warrants repurchased by the Liquidity Providers per the Standby Warrant Purchase Agreement.

Certain principal (\$9,695 due April 1, 2012) and interest payments (due monthly as of December 2011 and totaling \$4,746) payable during fiscal 2012 were not paid by the Commission. In an April 2013 Material Event Notice (see Note V), the Trustee suspended further debt service payments on the Series 2001-B Warrants until such debt service can be restructured under the Commission's Plan of Adjustment under Chapter 9 Bankruptcy. Also see Note W - Bankruptcy and Proposed Restructuring.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Covenant Violations and Notices of Default - GO Series 2003-A and 2004-A Warrants

U.S. Bank National Association (successor Paying Agent) provided written Notices of Events of Default dated April 6, 2012, October 4, 2012 and April 2, 2013, for the GO Capital Improvement Warrants, Series 2003-A and 2004-A due to payment defaults for the Commission's failure to pay the entire principal and interest payments due on the Warrants on April 1, 2012, October 1, 2012 and April 1, 2013.

As required by Article 4(A) of Annex A of the Indenture, when sufficient payment was not received to pay the interest due on the Warrants, U.S. Bank notified the Bond Insurer, who notified the Trustee of such intent to make the payments due. The Paying Agent distributed all of the money received from the Bond Insurer prior to the date of the Notices.

Principal of \$2,880 due April 1, 2012, and interest of \$2,322 was paid by National on behalf of the Commission for the GO Series 2003-A and 2004-A Warrants. In addition, principal and interest due October 2012 and April 2013 totaling \$2,965 and \$4,539, respectively, was paid by National on behalf of the Commission subsequent to the fiscal year end.

Liquidity Facility Forbearance Agreements

As a result of certain Notices of Events of Default, which are described in the Material Event Notices section below and under the Notices of Events of Default section above, the Liquidity Providers were allowed to immediately terminate without notice or demand.

On September 15, 2008 (as amended and extended), the Commission entered into a separate Forbearance Agreement and Reservation of Rights Agreements (Forbearance Agreements) with the Liquidity Providers (JPMorgan Chase Bank and Bayerische Landesbank Girozentrale, both as the Liquidity Providers and Liquidity Agent). The Forbearance Agreement generally provided that, during the forbearance period, the counterparties will forbear from exercising any rights or remedies that the Liquidity Provider has or may have, now or hereafter arising during the forbearance period. The Commission subsequently entered into separate agreements with each party to extend the Forbearance Agreements to September 14, 2009, at which time all such agreements were terminated.

Notices of Default - LO School Warrants Series 2004-A, 2005-A and B

Pursuant to Section 17.1(b) of the Indenture, U.S. Bank (successor Trustee) provided a written Notice of Default dated December 28, 2009, to the Commission for the LO School Warrants, Series 2004-A, 2005-A and B whereby notice was given that the Commission failed to satisfy all or a portion of the Reserve Fund Requirement set forth in Sections 14.3 and 14.8 of the Indenture. Section 14.3 of the Indenture states that the Reserve Fund Requirement may be satisfied, in whole or in part, by depositing with the Trustee a surety bond or insurance policy that satisfies the requirements specified in Section 14.8. Section 14.8 indicates that the "claims paying ability" of the issuer of such bond or policy must be rated "AAA" by S&P or "Aaa" by Moody's.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Section 14.8 further states that if the claims paying ability of the issuer falls below "A," then the Commission must either deposit a sufficient amount of funds into the Reserve Fund to meet the Reserve Fund Requirement (paid in equal monthly installments over the ensuing year) or replace such instrument with a surety bond, insurance policy or letter of credit meeting the requirements within six months.

The Commission failed to deposit either form of funds as required by Section 14.8 of the Indenture. Furthermore, the failure to remedy the covenant default within the 30-day period subsequent to the Notice constitutes an Event of Default under Section 17.1(b) of the Indenture. As of September 24, 2012, the Commission transferred \$12,553 into the Reserve Fund (balance at September 30, 2012, of \$82,111) and had met its obligations under Section 14.8 of the Indenture and had satisfied the Reserve Fund Requirement. The Trustee notified bondholders that the Reserve Fund has been replenished, but the Trustee is of the opinion the Commission's replenishment of the Reserve Fund after the applicable cure period set forth in the Indenture does not cause the existing Event of Default to be extinguished.

Notices of Default - LO School Warrants, Series 2004-A, 2005-A and 2005-B

Pursuant to Section 18.2 of the Indenture, an additional Event of Default under the Indenture occurred with the Commission's filing a petition under Chapter 9 of the Bankruptcy Code on November 9, 2011. The commencement of a voluntary bankruptcy proceeding by the Commission constitutes an Event of Default under Section 17.1(d)(iii) of the Indenture, and U.S. Bank, as Trustee for the above mentioned warrants, notified bondholders of the additional Event of Default.

In a separate matter, U.S. Bank, as Trustee under the Indenture, notified bondholders on May 4, 2012, of an additional Event of Default effective December 15, 2011, when the Commission failed, to the extent it was in possession of Education Tax Proceeds in excess of the amount needed to fund the Reserve Fund fully in accordance with the Indenture, to transfer funds to the Redemption Account for the redemption of LO Series 2005 Warrants as provided for by Section 14.4 of the Indenture.

The Commission is required to transfer any remaining funds held in the Revenue Account (Excess Proceeds) to the Trustee each December 15 for Excess Tax Proceeds Mandatory Redemptions in accordance with the Indenture. In a Notice to Holders dated March 21, 2013, U.S. Bank, as Trustee, states that the Commission paid \$21,295 of Excess Proceeds to the Trustee for deposit to the Redemption Account, and that such funds were used to redeem LO Series 2005-B Warrants as an Excess Tax Proceeds Mandatory Redemption, in accordance with the Indenture.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

However, the Trustee also reported that the Commission has retained and holds \$3,757 in the Revenue Account that was required to be delivered to the Trustee on December 15, 2012. The Commission has indicated to the Trustee that it believes that the retention of such excess funds in the Revenue Account is an important way to assure that the Commission has sufficient liquidity in the Revenue Account during the year to make regularly scheduled payments for the School Warrants regardless of potential short-term fluctuations in the collection of Tax Revenue Proceeds.

This retention of funds constitutes a default; however, the Trustee has not sent a demand notice to the Commission to cure such default in a 30-day period. The Trustee has reserved the right to do so but has no current intentions to do so unless circumstances change or it is directed by the warrant holders to do so.

Events of Default - Standby Warrant Purchase Agreement - LO Series 2005-B

The Commission received a Notice of Default under Standby Warrant Purchase Agreement dated May 6, 2010, from Depfa Bank PLC. Depfa Bank PLC became a holder of approximately \$179,750 of tendered warrants on February 14, 2008, pursuant to the Standby Warrant Purchase Agreement for the Limited Obligation School Warrants Series 2005-B.

Depfa Bank PLC claims that the Commission failed to give them priority regarding certain redemptions of warrants with excess tax proceeds on or about March 1, 2008 and 2009. Depfa Bank PLC further notes the defaults described in the December 28, 2009, Notice (discussed above). As a result, Depfa Bank PLC notified the Commission that it exercised its right to charge, as of January 27, 2010, the default rate of interest as allowed under the Agreement, which results in a three-percent increase over the current interest rate.

The Commission entered into a Plan Support Agreement dated February 11, 2013, with Depfa Bank PLC. See discussion in Note V - Subsequent Events for the February 15, 2013, Material Event Notice.

Notice of Event of Default - Lease Revenue Warrants, Series 2006

Under the Trust Indenture dated August 1, 2006, between the Jefferson County Public Building Authority (Authority) and First Commercial Bank, as trustee (Trustee), the Warrants are payable solely from lease payments by the Commission to the Authority pursuant to a Lease Agreement dated August 1, 2006. Under the Lease Agreement, the Commission is required to make payments to the Trustee, for the account of the Authority, on the third business day prior to any day on which debt service is payable on the Warrants. Principal in the amount of \$4,130 and interest in the amount of \$2,081 were due with respect to the Warrants on April 2, 2012.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The Commission failed to make the required lease payment when due on March 28, 2012. The Trustee delivered a Notice of Default to the Commission by letter dated March 30, 2012. The Notice of Default states that an "Event of Default," as defined in the Lease Agreement, occurred under the Lease Agreement as a result of the Commission's failure to make the lease payment on March 28, 2012.

Failure to pay the principal and interest on the Warrants in the amount of \$6,211 when due on April 2, 2012, resulted in an "Indenture Default," as defined in the Indenture. The Trustee drew upon available monies on deposit in the Reserve Fund established under the Indenture to pay the debt service due on April 2, 2012, in full. The occurrence of an Event of Default under the Lease Agreement also created an additional Indenture Default. See Note V for subsequent events.

Lease Agreement and First Supplemental Trust Indenture

The Commission entered into a replacement lease agreement effective January 1, 2013 with the Jefferson County Public Building Authority related to the LR Series 2006 Warrants. The LR Series 2006 Warrants were issued pursuant to a Trust Indenture, dated August 1, 2006, between the Public Building Authority and First Commercial Bank. The First Supplemental Trust Indenture dated as of January 1, 2013, was entered into by and between the Jefferson County Public Building Authority and First Commercial Bank. See Note V for further discussion.

Maturity Schedules

The following is a schedule of debt service requirements for the outstanding warrants to maturity, under the original payment and interest terms as specified in the various Indentures (in thousands).

Original Terms

| Fiscal Year Ending September 30, | Business-Type Activities | | Governmental Activities | | Total Principal and Interest Requirements to Maturity | | |
|--|--------------------------|--------------------|-------------------------|-------------------|--|--------------------|--------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Total |
| 2013 | \$ 55,185 | \$ 69,584 | \$ 81,440 | \$ 45,214 | \$ 136,625 | \$ 114,798 | \$ 251,423 |
| 2014 | 36,750 | 68,656 | 60,230 | 42,430 | 96,980 | 111,086 | 208,066 |
| 2015 | 38,515 | 67,682 | 63,045 | 39,639 | 101,560 | 107,321 | 208,881 |
| 2016 | 40,345 | 66,624 | 65,980 | 36,711 | 106,325 | 103,335 | 209,660 |
| 2017 | 42,990 | 66,077 | 69,095 | 33,638 | 112,085 | 99,715 | 211,800 |
| 2018-2022 | 253,345 | 314,185 | 375,775 | 118,513 | 629,120 | 432,698 | 1,061,818 |
| 2023-2027 | 438,775 | 266,090 | 344,885 | 29,347 | 783,660 | 295,437 | 1,079,097 |
| 2028-2032 | 475,600 | 215,538 | - | - | 475,600 | 215,538 | 691,138 |
| 2033-2037 | 589,800 | 156,250 | - | - | 589,800 | 156,250 | 746,050 |
| 2038-2042 | 1,136,213 | 56,642 | - | - | 1,136,213 | 56,642 | 1,192,855 |
| | <u>\$3,107,518</u> | <u>\$1,347,328</u> | <u>\$1,060,450</u> | <u>\$ 345,492</u> | <u>\$4,167,968</u> | <u>\$1,692,820</u> | <u>\$5,860,788</u> |

See Note P for warrants payable attributable to the Jefferson County Economic and Industrial Development Authority, which is included in the financial statements as a nonmajor enterprise fund.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

As discussed above, certain warrants are subject to accelerated repayment schedules from the original terms. The accelerated payments resulted in a revised payment schedule.

The following table reflects the debt service requirements for the outstanding principal amounts on the warrants, including the acceleration of certain warrant payments due to repurchase made by the Liquidity Providers under the Standby Warrant Purchase Agreements described in the preceding paragraphs (in thousands).

Accelerated Repayment Schedule

| Fiscal Year Ending September 30, | Business-Type Activities Principal Payments Due | Governmental Activities Principal Payments Due | Total Principal Payments Due |
|----------------------------------|--|---|---------------------------------|
| 2013 | \$ 831,331 | \$ 165,335 | \$ 996,666 |
| 2014 | 33,046 | 49,610 | 82,656 |
| 2015 | 34,635 | 51,930 | 86,565 |
| 2016 | 36,339 | 54,350 | 90,689 |
| 2017 | 38,832 | 56,925 | 95,757 |
| 2018-2022 | 189,482 | 337,415 | 526,897 |
| 2023-2027 | 304,270 | 344,885 | 649,155 |
| 2028-2032 | 404,040 | - | 404,040 |
| 2033-2037 | 367,707 | - | 367,707 |
| 2038-2042 | 867,836 | - | 867,836 |
| | <u>\$ 3,107,518</u> | <u>\$ 1,060,450</u> | <u>\$ 4,167,968</u> |

While a restructuring of the warrants payable obligations could result in a revised payment schedule, Notices and Events of Default have occurred related to the outstanding warrants payable, as discussed further throughout Note J. In addition, there are certain series of warrants that are subject to a cross-default under the terms of the various indentures. With the continuance of the Events of Default, the Trustee may declare the outstanding warrants payable due and payable on demand under the terms of the various indentures. As a result, the following table presents the outstanding warrants payable amounts as current liabilities:

Due on Demand Accelerated Repayment Schedule

| Fiscal Year Ending September 30, | Business-Type Activities Principal Payments Due | Governmental Activities Principal Payments Due | Total Principal Payments Due |
|----------------------------------|--|---|---------------------------------|
| 2013 | \$ 3,107,518 | \$ 1,060,450 | \$ 4,167,968 |
| Thereafter | - | - | - |
| | <u>\$ 3,107,518</u> | <u>\$ 1,060,450</u> | <u>\$ 4,167,968</u> |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Additionally, the related deferred charges - issuance costs have been classified as current assets.

While the Events of Default changed the status of certain warrants to “demand bonds” (which are deemed callable under *GASB Interpretation No. 1*), the Trustee has not accelerated the payments due on the fixed rate or auction rate warrants. The Variable Rate Demand Warrants were called for redemption during 2008 and were payable over an accelerated period (three or four years) commencing on or around the date of tender (2008) which results in the majority of those Warrants being currently due and payable.

Defeasance of Warrants and Deferred Loss on Refundings (in thousands)

In prior years, the Commission advance refunded certain revenue warrants by placing the proceeds of the new warrants in irrevocable trust accounts to provide for payment of all future debt service requirements, including the ultimate repayment of the warrants outstanding. The refundings pertaining to each warrant issue are noted in the descriptions of the warrants above. These warrants are defeased under the terms of the Indenture.

Accordingly, the trust account assets and the liability for the defeased warrants are not included on the Commission's financial statements. At September 30, 2012, warrants of \$6,385 of Governmental Activities are outstanding, and the related fair market value of the escrow account balances for these defeased warrants held in trust totals \$6,864 at September 30, 2012. During the fiscal year ended September 30, 2012, the Business-Type Activities defeased warrants totaling \$1,015 were repaid on the August 1, 2012 call date from escrowed funds. There are no escrowed funds held at September 30, 2012.

Accrued Arbitrage Rebate (amounts in thousands)

Sections 148(f)(2) and 1.148-1 to 11 of the Internal Revenue Code of 1986, as amended, require any entity issuing tax-exempt warrants to have computations of potential rebate amounts for investment earnings in excess of prescribed allowed amounts for tax-exempt warrants proceeds that have not been expended. The Commission must make installment payments in an amount equal to 90 percent of any arbitrage rebate within 60 days of a rebate computation date, which is the end of the fifth bond year and each five-year period thereafter. In addition, certain exceptions may apply that may limit the rebate amount, and special rules exist relating to retired warrant issues.

The Commission has periodic arbitrage rebate calculations performed on tax-exempt bonds and accrues arbitrage rebates based on those calculations. The Commission obtained arbitrage rebate calculations for the tax-exempt warrants, and there are no accrued arbitrage rebates for Business-Type Activities as of September 30, 2012. However, the Commission entered into a Settlement Agreement in July 2013 with the Internal Revenue Service for all open Business-Type Activities warrant issues arbitrage rebates for \$4,500, which was accrued at September 30, 2012. Also see Note S - Contingent Liabilities and Litigation and Note V - Subsequent Events.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Warrant Issuance Costs, Premiums and Discounts and Deferred Loss on Refundings

The Commission has issuance costs, losses on refundings of debt, as well as premiums and discounts, in connection with the issuance of its warrants. The issuance costs, losses on refundings and premiums and discounts are being amortized using the straight-line method. The balances in these accounts for the Commission are as follows:

| | (In Thousands) | | |
|---|-----------------------|-------------------------------------|--|
| | Issuance Costs | Premiums (Discounts) Net | Deferred Loss on Refundings |
| Business-Type Activities: | | | |
| Total net premiums (discounts), issuance costs, deferred loss on refunding | \$ 72,853 | \$ 6,570 | \$ 360,618 |
| Accreted (amortized), net in prior years | <u>(26,262)</u> | <u>(265)</u> | <u>(91,548)</u> |
| | 46,591 | 6,305 | 269,070 |
| Current year (amortization) accretion, net | <u>(2,925)</u> | <u>(195)</u> | <u>(10,748)</u> |
| Net balance at September 30, 2012 | <u>\$ 43,666</u> | <u>\$ 6,110</u> | <u>\$ 258,322</u> |
| Governmental Activities: | | | |
| Total net premiums (discounts), issuance costs, deferred loss on refunding | \$ 19,128 | \$ 51,347 | \$ 1,793 |
| Accreted (amortized), net in prior years | <u>(7,158)</u> | <u>(18,913)</u> | <u>(1,793)</u> |
| | 11,970 | 32,434 | - |
| Current year (amortization) accretion, net | <u>(844)</u> | <u>(2,457)</u> | <u>-</u> |
| Net balance at September 30, 2012 | <u>\$ 11,126</u> | <u>\$ 29,977</u> | <u>\$ -</u> |
| Commission total: | | | |
| Total net premiums (discounts), issuance costs, deferred loss on refunding | \$ 91,981 | \$ 57,917 | \$ 362,411 |
| Accreted (amortized), net in prior years | <u>(33,420)</u> | <u>(19,178)</u> | <u>(93,341)</u> |
| | 58,561 | 38,739 | 269,070 |
| Current year (amortization) accretion, net | <u>(3,769)</u> | <u>(2,653)</u> | <u>(10,748)</u> |
| Net balance at September 30, 2012 | <u>\$ 54,792</u> | <u>\$ 36,086</u> | <u>\$ 258,322</u> |

See Note P for discounts and deferred loss on refundings attributable to the Jefferson County Economic and Industrial Development Authority, which is included in the financial statements as a nonmajor enterprise fund. Issuance costs attributable to the Jefferson County Economic and Industrial Development Authority are reflected in the combining statement of net assets - nonmajor enterprise funds.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Restricted Debt Service Accounts (amounts in thousands)

Business-Type Activities

In accordance with the Indenture, the Commission maintains a debt service fund to which it deposits principal and interest amounts due. A reserve fund or surety policies are required to be maintained at the lesser of (a) 125 percent of the average annual debt service on all outstanding parity securities, (b) the maximum annual debt service on all outstanding parity securities or (c) 10 percent of the original principal amount of outstanding parity securities. In addition, the Commission is required to maintain a rate stabilization fund at a balance of 75 percent of the maximum annual debt service on the outstanding parity securities, subject to the availability of cash, and a depreciation fund which will grow to an amount equal to or greater than the accumulated depreciation of the Sanitary Operations Fund, subject to the availability of cash.

In accordance with the terms of the Indenture, the Commission obtained surety policies for the reserve fund for certain warrant issues. The rate stabilization fund has no balance at September 30, 2012.

The Trustee can and has authorized disbursements from certain reserve funds held for the Business-Type Activities Warrants for payment of principal and interest due during fiscal 2008 (none in fiscal 2012). The Trustee notified the Commission of the failure to maintain or replenish the reserve funds at the levels required under the warrant agreements which resulted in default for these warrant agreements.

In addition, the proceeds from each warrant issue were placed in an escrow account to be disbursed based on approved expenditures for the proceeds. Remaining balances are recorded as restricted cash or investments for the purposes set forth in the warrant documents. Restricted cash and investments related to the warrant agreements totaled \$173,511 at September 30, 2012. See Note D for a discussion of the investments held at year end and Note V for events subsequent to year end.

Governmental Activities

The proceeds from each warrant issue were placed in an escrow account to be disbursed based on approved expenditures. Remaining balances are recorded as restricted cash or investments for the purposes set forth in the warrant documents. The terms of certain warrant agreements require debt reserve funds to be maintained, and funds may be deposited in debt service accounts pending payment to the Trustee. Such accounts are reported as restricted cash and investments.

Restricted cash and investments totaled \$178,004 at September 30, 2012. See Note D for discussion of the investments held at year end.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Continuing Disclosures

The Commission is required to provide certain continuing disclosures with respect to the Indentures and warrants outstanding in accordance with Rule 15c2-12 of the U.S. Securities and Exchange Commission under the Securities Exchange Act of 1934.

Under the continuing disclosure agreements, the Commission has covenanted for the benefit of the holders of certain warrants under the various indentures to provide certain information repositories with certain financial information and operating data relating to the Commission on an annual basis within 180 days after the end of its fiscal year and material events notices of the occurrence of certain events, if deemed material.

The Annual Financial Information is required to be filed with the Municipal Securities Rulemaking Board (MSRB), as the central repository for ongoing disclosures by municipal issuers, as designated by the Securities and Exchange Commission and any Alabama state information depository. The disclosures are available to investors by the MSRB's Electronic Municipal Market Access (EMMA).

Material event notices are required to be filed with the MSRB and any Alabama state information depository. Such material events may include delinquency in payments of principal or interest, nonpayment related defaults, unscheduled draws on any debt service reserves reflecting financial difficulties of the Commission, unscheduled draws on any credit enhancements reflecting financial difficulty, substitution of a credit or liquidity provider or the failure of any credit or liquidity provider to perform, existence of any adverse tax opinion or events affecting the tax-exempt status of the warrants, modification of the rights of the holders of the warrants, redemption of any warrants prior to stated or mandatory redemption dates, defeasance of the warrants, release, substitution or sale of the property securing repayment of the warrants, any changes in the ratings of the warrants or bankruptcy, insolvency, receivership or similar event of the Commission.

The following is information required for the benefit of the holders of the Sewer Revenue Warrants (unaudited):

| | Fiscal Year Ended September 30, | | | |
|--|--|-------------|-------------|-------------|
| | 2012 | 2011 | 2010 | 2009 |
| Active accounts | 140,069 | 139,706 | 140,092 | 141,590 |
| Average daily treatments volume (millions of gallons treated) | 104 | 98 | 125 | 113 |
| Sewer charges (000s) | \$159,179 | \$173,312 | \$160,467 | \$166,931 |
| % Revenue - largest customer | 1.63% | 1.61% | 1.49% | 1.21% |
| % Revenue - top 10 customers | 8.07% | 8.31% | 6.40% | 6.31% |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

| (unaudited) 2012 Top 10 Customers | (unaudited) Consumption (in Gallons) | (unaudited) Billed |
|--------------------------------------|--|-----------------------|
| U.S. Steel | 509,159 | \$ 2,597,393 |
| University of Alabama at Birmingham | 410,685 | 3,039,069 |
| Birmingham Housing Authority | 212,166 | 1,570,028 |
| Veterans' Administration | 142,964 | 1,057,934 |
| Coca-Cola Bottling Company | 140,548 | 624,033 |
| Barber's Pure Milk Company | 124,272 | 809,259 |
| SMI Steel, Inc. | 114,505 | 847,337 |
| Brookwood Medical Center | 107,763 | 797,446 |
| Samford University | 104,034 | 769,852 |
| Trinity Medical Center | 99,856 | 738,934 |
| | <u>1,965,952</u> | <u>\$ 12,851,285</u> |

Effective January 1, 2008, the Commission implemented sewer rate increases in accordance with the Commission's resolutions and the Indenture with the trustee for the Sewer Revenue Warrants. The proper application of the rate covenant is one of the issues in the litigation with the Trustee and bond insurers and part of the Bankruptcy and Proposed Restructuring (see Notes S, V and W for discussion of Contingent Liabilities and Litigation, Subsequent Events and Bankruptcy and Proposed Restructuring, respectively).

Municipal Bond Insurance Policy

Concurrent with the issuance of the warrants, National, Ambac, FGIC, Syncora or AGM issued municipal bond (warrant) insurance policies for all revenue warrant issues, except the Business-Type Fund Sewer Warrant Series 2003-A, Governmental Fund General Obligation Warrant 2001-B and certain Limited Obligation School Warrants Series 2004-A.

The insurance policies unconditionally guarantee the payment of that portion of the principal and interest on the warrants, which becomes due and is unpaid by reason of nonpayment by Jefferson County, Alabama. The insurance policies are noncancelable, and the premium is fully paid at the time of delivery of the warrants.

The insurance policies cover failure to pay principal of said warrants on their respective stated maturity dates or dates on which the same shall have been duly called for mandatory sinking fund redemption and cover failure to pay an installment of interest on the stated date for its payment.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Generally, in connection with its insurance of an issue of municipal securities, the insurance company requires, among other things, that it be granted the power to exercise any rights granted to the holders of such securities upon the occurrence of an event of default, without the consent of such holders, and that such holders may not exercise such rights without the insurance company's consent, so long as the insurance company has not failed to comply with its payment obligations under its insurance policy and that any amendment or supplement to or other modification of the principal legal documents be subject to the insurance company's consent.

Certain events occurred during prior years, as discussed below, resulting in rating downgrades for the municipal bond insurers of the warrants. As a result of the deteriorating financial condition of Jefferson County during fiscal 2008 through 2012 and subsequent periods, certain payments of principal and interest were made on behalf of the Commission by the insurers. The amounts paid are disclosed in this report and are currently payable from the Commission to the insurers. As a result, the insurers have assumed certain rights under the terms of the related warrant agreements.

In addition, other payments of principal and interest are due on certain warrants but remain unpaid at September 30, 2012, by the Commission or the insurers. As a result, the Commission has a payment Event of Default for certain warrant agreements - see Event of Default section above.

FGIC and Syncora directed the Trustee in 2008 to initiate a lawsuit against the Commission seeking, among other relief, the appointment of a receiver over the Jefferson County Sewer System. See discussion in Note S - Contingent Liabilities and Litigation.

Ambac Bankruptcy

On November 8, 2010, Ambac Financial Group, Inc. petitioned for Chapter 11 bankruptcy. Any reorganization would presumably leave the company's bond insurance subsidiary, Ambac Assurance Corp., untouched and capable of paying claims on defaulted municipal bonds.

BUSINESS-TYPE ACTIVITIES (amounts in thousands)

Material Event Notices

2008 - During fiscal 2008, Material Event Notices disclosed rating downgrades on long-term ratings assigned to warrants insured by FGIC and Syncora (which comprise substantially all of the Sewer Revenue Warrants) from Standard and Poors Rating Services (S&P), Fitch Ratings Ltd. (Fitch) and Moody's Investor Service, Inc. (Moody's). The rating downgrades were in conjunction with the reductions of the rating agency financial strength and financial enhancement ratings of the underlying insurer (FGIC and Syncora).

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The downgrades also resulted in the occurrence of Additional Termination Events under the interest rate swap agreements (see Interest Rate Swap Agreements Termination Events and Swap Forbearance Agreements - Note K).

The downgrades of Syncora and FGIC caused the Syncora and FGIC surety bonds held by the Trustee in the Reserve Fund to fail the ratings requirements of the Indenture (see Substitution of Surety Bonds in Reserve Fund discussion below). Additionally, certain notices of default were received under the Standby Warrant Purchase Agreements. The Commission and all other parties to the Liquidity Facilities entered into forbearance agreements (see Liquidity Facility Forbearance Agreements and Swap Forbearance Agreements - Note K).

Material Event Notices also disclosed ratings downgrades related to Series 1997A, Series 2001-A, Series 2003 B-1-A to B-1-E and Series 2003 C-1 to C-10 Warrants. On September 11, 2008, JPMorgan Chase Bank delivered a Termination Notice to the Trustee pursuant to Section 8.02(b) of the Liquidity Facility for the outstanding Series 2002-A Warrants (as discussed above).

2009 - During fiscal 2009, Material Event Notices disclosed extensions to the Liquidity Facility Forbearance Agreements and Swap Forbearance Agreements dated March 31, 2008, with the Forbearance Agreements expiring either June 30, 2009 or July 31, 2009.

The warrants received further downgrades by S&P, Fitch and Moody's of the long-term ratings assigned to the warrants insured by Syncora, FGIC and AGM.

Notices of Default were delivered by the Trustee to the Commission dated October 15, 2008, November 14, 2008, December 19, 2008, February 17, 2009 and March 24, 2009 (discussed in detail above).

In addition, Material Event Notices disclosed the termination notices received on the interest rate swap agreements and resulting swap termination payments due, as further discussed in Note K.

The July 6, 2009, Material Event Notice disclosed that for debt service payments due on July 1, 2009, the Trustee applied net sewer revenues from the Commission to the payment of all interest due on the Warrants on such date. Certain Warrants were purchased by a Liquidity Provider pursuant to a Liquidity Facility and are insured by FGIC. Such FGIC-insured Warrants were called for redemption on July 1, 2009, pursuant to the accelerated amortization provision of such Liquidity Facility and were paid from a draw on the FGIC bond insurance policy insuring the payment of such Warrants because the Commission's net sewer revenues were not sufficient to make such payment.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

Certain other Warrants were purchased by other Liquidity Providers pursuant to Liquidity Facilities and are insured by bond insurance policies issued by Syncora. Such Syncora-insured Warrants were called for redemption in part on July 1, 2009, pursuant to the accelerated amortization provisions of such Liquidity Facilities. The Commission's net sewer revenues were not sufficient to redeem the Syncora-insured Warrants, and Syncora suspended payment on its insurance policies. As a result, \$46,056 aggregate principal amount of Syncora-insured Warrants called for redemption on July 1, 2009, was not paid by either the Commission or Syncora.

2010 - During fiscal 2010, Material Event Notices disclosed that debt service payments on certain warrants purchased by Liquidity Providers pursuant to Liquidity Facilities and subject to accelerated amortization provisions were called for redemption in part on October 1, 2009.

Additionally, a Notice of Default was delivered by the Trustee to the Commission dated February 3, 2010 (as discussed above). Material Event Notices also disclosed the withdrawal of long-term insured ratings assigned by Fitch and continued downgrades by S&P to certain warrants insured by AGM.

October 4, 2010 - The October 4, 2010, Material Event Notice disclosed that on October 1, 2010, debt service payments on certain of the Warrants were due. The Commission's net sewer revenues provided to the Trustee were sufficient for payment of all interest due on the Warrants on such date. Certain other Warrants have been purchased by other Liquidity Providers pursuant to Liquidity Facilities and are insured by bond insurance policies issued by Syncora. Such Syncora-insured Warrants were called for redemption in part on October 1, 2010, pursuant to the accelerated amortization provisions of such Liquidity Facilities. Syncora has suspended payment on its insurance policies, and the Commission's net sewer revenues were not sufficient to redeem the Syncora-insured Warrants. As a result, the \$46,061 aggregate principal amount of Syncora-insured Warrants called for redemption on October 1, 2010, was not paid by either the Commission or Syncora.

On September 22, 2010, the Circuit Court entered an order granting the Trustee's request for the appointment of a receiver.

2011 - During fiscal 2011, Material Event Notices disclosed that on May 2, 2011, the Commission received letters from the Internal Revenue Service (IRS) stating that the Series 2003-B Warrants and the Series 2003-C Warrants were selected for examination to determine compliance with federal tax requirements. See Note S - Contingent Liabilities and Litigation for further discussion and resolution.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The July 19, 2011, Material Event Notice disclosed that a payment default had occurred on certain of the Series 2002-C and Series 2003-B Warrants that have been purchased by banks that entered into Standby Warrant Purchase Agreements with the Commission at the time of issuance of the Warrants. Under the terms of the Standby Warrant Purchase Agreements, \$46,046 in aggregate principal amount of Warrants was due for accelerated redemption on July 1, 2011. The Commission failed to pay the redemption price of the Warrants scheduled for redemption on July 1, 2011.

The Commission adopted a resolution and executed and released the Proposed Terms and Conditions for Settlement and Refinancing of Jefferson County's Outstanding Sewer Warrants dated September 14, 2011 (the Term Sheet). The proposed settlement and refinancing was not accomplished, and the Commission filed for Bankruptcy protection in November 2011.

October 4, 2011 - The October 4, 2011, Material Event Notice disclosed that a payment default had occurred on certain of the Series 2002-C and Series 2003-B Warrants that have been purchased by banks that entered into Standby Warrant Purchase Agreements with the Commission at the time of issuance of the Warrants. Under the terms of the Standby Warrant Purchase Agreements, \$46,046 in aggregate principal amount of Warrants was due for accelerated redemption on October 1, 2011. The Commission failed to pay the redemption price of the Warrants scheduled for redemption on October 1, 2011.

November 9, 2011 - The November 9, 2011, Material Event Notice disclosed that the Commission authorized the filing of a petition for relief under Chapter 9 of the United States Bankruptcy Code on behalf of and in the name of Jefferson County. The petition was filed with the United States Bankruptcy Court for the Northern District of Alabama, Southern Division on November 9, 2011 (*In re: Jefferson County, Alabama*, Case No. 11-05736-9).

January 5, 2012 - The January 5, 2012, Material Event Notice disclosed that a payment default had occurred on certain of the Series 2002-C and Series 2003-B Warrants that have been purchased by banks that entered into Standby Warrant Purchase Agreements with the Commission at the time of issuance of the Warrants. Under the terms of the Standby Warrant Purchase Agreements, \$46,046 in aggregate principal amount of Warrants was due for accelerated redemption on January 1, 2012. The Commission failed to pay the redemption price of the Warrants scheduled for redemption on January 1, 2012.

February 7, 2012 - The February 7, 2012, Material Event Notice disclosed that the Commission had requested additional information from the Trustee regarding debt service payments made during February 2012, as well as information regarding the application of sewer revenues for December 2011 and January 2012.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

February 13, 2012 - The February 13, 2012, Material Event Notice disclosed that the Trustee had disseminated a Notice to Holders dated February 7, 2012, to holders of certain Sewer Warrants to provide an update on the status of current bankruptcy proceedings.

March 9, 2012 - The March 9, 2012, Material Event Notice disclosed that the Commission had retained Kurtzman Carson Consultants LLC as Claims Noticing and Balloting Agent during the pendency of the Commission's Chapter 9 Bankruptcy Case.

April 6, 2012 - The April 6, 2012, Material Event Notice disclosed that a payment default had occurred on certain of the Series 2002-C and Series 2003-B Warrants that have been purchased by banks that entered into Standby Warrant Purchase Agreements with the Commission at the time of issuance of the Warrants. Under the terms of the Standby Warrant Purchase Agreements, \$9,135 in aggregate principal amount of Warrants was due for accelerated redemption on April 2, 2012. The Commission failed to pay the redemption price of the Warrants scheduled for redemption on April 2, 2012.

July 9, 2012 - The July 9, 2012, Material Event Notice disclosed that a payment default had occurred on certain of the Series 2002-C Warrants that have been purchased by banks that entered into Standby Warrant Purchase Agreements with the Commission at the time of issuance of the Warrants. Under the terms of the Standby Warrant Purchase Agreements, \$20,000 in aggregate principal amount of Warrants was due for accelerated redemption on July 2, 2012. The Commission failed to pay the redemption price of the Warrants scheduled for redemption on July 2, 2012.

Substitution of Surety Bonds in Reserve Fund

The Indenture requires the Commission to establish and maintain a debt service reserve fund (the Reserve Fund) at a level (the Reserve Fund Requirement) generally equal to the lesser of (a) 125 percent of the average annual debt service on all parity securities outstanding under the Indenture and secured by the Reserve Fund, (b) the maximum annual debt service on all parity securities outstanding under the Indenture and secured by the Reserve Fund or (c) 10 percent of the original principal amount (or in some cases, the issue price) of each series of parity securities outstanding under the Indenture and secured by the Reserve Fund.

The Indenture permits the Commission to satisfy the Reserve Fund Requirement through cash deposits or by delivery of a surety bond, insurance policy or letter of credit that satisfies the requirements of the Indenture. One such requirement is that any surety bond or insurance policy used to satisfy the Reserve Fund Requirement must be rated "AAA" by S&P or "Aaa" by Moody's. As of April 1, 2005, the Reserve Fund was funded by a combination of cash (and eligible federal securities) and surety bonds in the amount of \$19,884 provided by FGIC.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

As permitted by the Indenture, in April 2005, the Commission caused Syncora to deliver to the Trustee a Debt Service Reserve Insurance Policy pursuant to which up to \$164,864 may be paid and caused AGM to deliver to the Trustee a Municipal Bond Debt Service Reserve Insurance Policy pursuant to which up to \$26,422 may be paid.

Upon the delivery of the foregoing policies to the Trustee, the Commission withdrew \$181,415 of cash and investments from the Reserve Fund and directed that the said cash and investments be deposited to a new fund to be held by the Trustee under a Deposit Agreement dated April 1, 2005, between the Commission and the Trustee (the Deposit Agreement). The Deposit Agreement permitted the use of such funds for sewer system improvements and to pay fees and expenses, including charges and expenses of the Trustee, incurred in connection with any of the foregoing.

In January 2007, the Commission and the Trustee entered into an Amendment to Deposit Agreement dated January 1, 2007 (the Amendment), which also permitted the Commission to withdraw such funds for deposit into any account or fund established under the Indenture or otherwise established by the Commission with respect to its sewer system obligations.

On February 1, 2007, the Commission withdrew \$32,547 of such funds, and on February 1, 2008, the Commission withdrew an additional \$59,800 of such funds for the purpose of debt service on the Sewer Revenue Warrants.

In March 2008, S&P and Moody's downgraded FGIC, resulting in an accelerated replenishment requirement for the FGIC surety bonds (in the aggregate amount of \$19,884) currently held by the Trustee in the Reserve Fund (as discussed above). The Indenture requires the Commission to (a) substitute a surety bond, insurance policy or letter of credit that satisfies the requirements of the Indenture within six months or (b) restore the Reserve Fund to a level equal to the Reserve Fund Requirement by making cash deposits to the Reserve Fund over a period of one year in equal monthly installments (\$1,657 per month). As a result of the downgrades to FGIC and related surety bonds, the Commission made monthly cash transfers of \$1,657 to the Reserve Fund in fiscal 2008 for the months of April through August (discussed below).

In June 2008, S&P and Moody's downgraded Syncora, resulting in an accelerated replenishment requirement, subject to the same requirements described in the immediately preceding paragraph, for the Syncora surety bonds (in the aggregate amount of \$164,864) currently held by the Trustee in the Reserve Fund.

The Trustee was required to draw on the Reserve Fund to pay a portion of the debt service on the Warrants that were due in September, October, November and December 2008 totaling \$40,918. If net sewer revenues are insufficient to meet the debt service obligations of the Warrants, the Trustee is required to draw first on the Reserve Fund and then, if necessary, on the municipal bond insurance policies insuring the warrants to cover any deficiency.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

A total of \$35,089 was drawn from the surety bond policies in the Reserve Fund while the remainder, or \$5,829, was cash. The interest payable to the insurers of \$35,089 plus additional interest and fees of \$11,436 are accrued at September 30, 2012.

As of September 30, 2012, the Reserve Fund holds four surety bonds with a value of \$176,082. However, the financial condition and downgrades of certain municipal bond insurers have impacted the value and reliability of the underlying surety bonds. See default section above and Note V- Subsequent Events for related discussion of reserve fund requirements and shortfalls. The balance in funds restricted for debt service or capital improvements at September 30, 2012, was \$29,786.

GOVERNMENTAL ACTIVITIES (amounts in thousands)

Material Event Notices

2008 - During fiscal 2008, Material Event Notices disclosed rating downgrades by S&P, Fitch and Moody's on the long-term ratings assigned to the Limited Obligation School Warrants, General Obligation Warrants and Lease Revenue Warrants insured by Ambac or National. A Notice of Default was disclosed with regards to GO Series 2001-B Warrants and the mandatory redemption on September 15, 2008. Material Event Notices also disclosed the Commission had entered into a Forbearance Agreement with regards to the Warrants that were due.

2009 - During fiscal 2009, Material Event Notices disclosed extensions to the Forbearance Agreements dated September 15, 2008 to September 2009, for the GO Series 2001-B Warrants. Certain Limited Obligation School Warrants, General Obligation Warrants and Lease Revenue Warrants received further downgrades by S&P, Fitch and Moody's of the long-term ratings assigned to the warrants.

A Notice of Default dated July 30, 2009, was disclosed with regards to the GO Series 2001-B Warrants (discussed in detail above).

2010 - During fiscal 2010, Material Event Notices disclosed ratings downgrades by S&P on the long-term ratings assigned to certain Limited Obligations School Warrants, General Obligation Warrants and Lease Revenue Warrants.

A Notice of Default dated December 28, 2009, was disclosed related to the LO Series 2004-A, Series 2005-A and Series 2005-B Warrants. Additionally, a Material Event Notice disclosed a payment event of default related to the GO Series 2001-B Warrants after the Forbearance Agreement expired in January 2010, and the Warrants were not redeemed as required by the accelerated redemption provisions of the Standby Warrant Purchase Agreement.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The December 13, 2010, Material Event Notices disclosed a ratings downgrade related to the GO Series 2001-A Warrants, LO Series 2005-A and Series 2005-B Warrants and LR Series 2006 Warrants, all insured by Ambac. On November 30, 2010, the rating assigned to Ambac by S&P was withdrawn. Pursuant to S&P's rating policy, the Ambac insured Warrants are rated to the higher of the Standard & Poor's Underlying Rating (SPUR) or the insurer rating.

The March 29, 2011, Material Event Notice disclosed a payment event of default related to the GO Series 2001-B Warrants. On March 15, 2011, GO Series 2001-B Warrants were not redeemed by the Commission, as required under the accelerated redemption provisions of the Standby Warrant Purchase Agreement.

The April 13 and April 27, 2011, Material Event Notices disclosed ratings downgrades related to the LO Series 2005-A and 2005-B Warrants and LR Series 2006 Warrants, insured by Ambac. On April 7, 2011, the ratings assigned to Ambac by Moody's were withdrawn. Pursuant to Moody's rating policy, the Ambac insured Warrants are rated to the higher of the SPUR or the insurer rating.

The Commission adopted a resolution and executed and released the Proposed Terms and Conditions for Settlement and Refinancing of Jefferson County's Outstanding Sewer Warrants dated September 14, 2011 (the Term Sheet). The proposed settlement and refinancing was not accomplished, and the Commission filed for Bankruptcy protection in November 2011.

November 9, 2011 - The November 9, 2011, Material Event Notice disclosed that the Commission authorized the filing of a petition for relief under Chapter 9 of the United States Bankruptcy Code on behalf of and in the name of Jefferson County. The petition was filed with the United States Bankruptcy Court for the Northern District of Alabama, Southern Division.

November 18, 2011 - The November 18, 2011, Material Event Notice disclosed a ratings downgrade related to the GO Warrants. Certain of the Warrants are insured by National (GO Series 2003-A and 2004-A Warrants). On November 11, 2011, the underlying rating assigned to the Warrants by S&P was reduced from "B" to "C."

In addition, on November 14, 2011, the Trustee of the GO Series 2001-B Warrants provided notice of its resignation as trustee under Section 13.9(b) of the Trust Indenture, effective upon the appointment of a successor trustee and the delivery of a written acceptance by the successor trustee to the Commission and the Trustee.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

November 18, 2011 - The November 18, 2011, Material Event Notice disclosed a ratings downgrade related to the LO School Warrants insured by Ambac (LO Series 2005-A and 2005-B Warrants). On November 11, 2011, the underlying rating assigned to the Warrants by S&P was reduced from “BBB-” to “B.” The current underlying rating of the Warrants is classified as “Credit Watch Developing” by S&P.

November 18, 2011 - The November 18, 2011, Material Event Notice disclosed a ratings downgrade related to the LR Series 2006 Warrants insured by Ambac. On November 11, 2011, the rating assigned to the Warrants by S&P was reduced from “B-” to “C.” The current underlying rating of the Warrants is classified as “Credit Watch Negative” by S&P.

December 1, 2011 - The December 1, 2011, Material Event Notice disclosed the appointment of Wells Fargo Bank, N.A. as successor trustee (the “Successor Trustee”) for the GO Series 2001-B Warrants. The appointment occurred on November 21, 2011, and was subject to the Successor Trustee’s written acceptance of appointment. On November 23, 2011, the Successor Trustee’s appointment became effective upon delivery of such acceptance to the Commission and the Trustee.

March 9, 2012 - The March 9, 2012, Material Event Notice disclosed that the Commission had retained Kurtzman Carson Consultants LLC as Claims Noticing and Balloting Agent during the pendency of the Commission’s Chapter 9 Bankruptcy Case.

March 30, 2012 - The March 30, 2012, Material Event Notice disclosed that on March 28, 2012, the Commission announced that it would not make the principal and interest payments on the GO Series 2001-B, 2003-A and 2004-A Warrants due April 1, 2012. The Commission expects to suspend payment on the Warrants until debt service on the Warrants can be restructured under the Commission’s Plan of Adjustment under Chapter 9.

March 30, 2012 - The March 30, 2012, Material Event Notice disclosed that on March 28, 2012, the Commission failed to make the April 1, 2012, required lease principal payment in the amount of \$4,130 and interest payment in the amount of \$2,081 related to the LR Series 2006 Warrants. Under the Lease Agreement, the Commission is required to make payments to the Trustee, for the account of the Authority, on the third business day prior to any day on which debt service is payable on the Warrants. The Commission also stated that it does not plan to make a lease payment prior to April 1, 2012. The Commission expects that the Trustee will draw upon available monies on deposit in the Reserve Fund established under the Indenture to pay the principal and interest due on April 1, 2012.

April 6, 2012 - The April 6, 2012, Material Event Notice disclosed that on March 28, 2012, the Commission adopted a resolution instructing the County Manager to forego paying the April 2, 2012, debt service payments related to the GO Series 2001-B, 2003-A and 2004-A Warrants. Certain of the Warrants are insured by National.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

The debt service payments for the National-insured Warrants were paid by draws on the National policies insuring such Warrants. The Commission expects to suspend payment on the Warrants until debt service on the Warrants can be restructured under the Commission's Plan of Adjustment under Chapter 9.

In addition, on April 2, 2012, the underlying rating assigned to the GO Series 2001-B, 2003-A and 2004-A Warrants by Moody's was reduced from "Caa1" to "Caa3." The current underlying rating of the Warrants is classified as "Under Review for Downgrade" by Moody's. On April 4, 2012, the underlying rating assigned to the National-insured Warrants by S&P was reduced from "C" to "D."

April 6, 2012 - The April 6, 2012, Material Event Notice disclosed that on March 28, 2012, the Commission failed to make the April 1, 2012, required lease payment (discussed in the March 30, 2012, Notice above). The Trustee delivered a Notice of Default to the Commission by letter dated March 30, 2012, stating an Event of Default occurred under the Lease Agreement as a result of the Commission's failure to make the lease payment on March 28, 2012.

Failure by the Commission to pay the principal and interest on the LR Series 2006 Warrants in the amount of \$6,211 when due on April 2, 2012, resulted in an Indenture Default. The Trustee drew upon available monies on deposit in the Reserve Fund established under the Indenture to pay the debt service due on April 2, 2012. The occurrence of an Event of Default under the Lease Agreement also created an additional Indenture Default.

In addition, on April 2, 2012, the underlying rating assigned to the LR Series 2006 Warrants by Moody's was reduced from "Caa2" to "Ca." The current underlying rating of the Warrants is classified as "Under Review for Downgrade" by Moody's.

August 23, 2012 - The August 23, 2012, Material Event Notice disclosed that on August 22, 2012, the Commission filed a motion in the United States Bankruptcy Court for the Northern District of Alabama, Southern Division, to reject the Lease Agreement related to the LR Series 2006 Warrants under Section 365(a) of the Bankruptcy Code.

September 26, 2012 - The September 26, 2012, Material Event Notice disclosed under the Lease Agreement related to the LR Series 2006 Warrants, the Commission was required to make payments to the Trustee, for the account of the Authority, on the third business day prior to any day on which debt service is payable on the Warrants.

Interest in the amount of \$1,978 was due with respect to the Warrants on October 1, 2012. The Commission did not make the required lease payment on September 26, 2012, and does not plan to make a lease payment prior to October 1, 2012. The Commission expects that the Trustee will draw upon available monies on deposit in the Reserve Fund established under the Indenture to pay interest due on October 1, 2012.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE J - WARRANTS PAYABLE - Continued

September 26, 2012 - The September 26, 2012, Material Event Notice disclosed that on September 25, 2012, the Commission adopted a resolution instructing the County Manager to forego paying the October 1, 2012, debt service payments related to the GO Series 2003-A, 2004-A and 2001-B Warrants. The Commission expects to suspend further debt service payments on the Warrants until such debt service can be restructured under the Commission's Plan of Adjustment under Chapter 9 of the Bankruptcy Code.

See Note V - Subsequent Events for additional subsequent events and Material Event Notices. Also see Note W - Bankruptcy and Proposed Restructuring.

Warrant Payments Not Made Subsequent to September 30, 2012 (amounts in thousands)

Governmental Activities

Subsequent to September 30, 2012 and through October 1, 2013, the Commission did not make scheduled principal payments of \$10,150 and interest payments of approximately \$6,040 related to the GO Series 2001-B Warrants. In addition, principal payments of \$2,965 and interest payments totaling \$6,744 related to the GO Series 2003-A and 2004-A Warrants were made by National on behalf of the Commission.

The Commission suspended payment of certain principal and interest payments on warrants until such debt service can be restructured under the Commission's Plan of Adjustment under Chapter 9 Bankruptcy. See Note V - Subsequent Events and Note W - Bankruptcy and Proposed Restructuring.

Business Type Activities

Subsequent to September 30, 2012 and to August 2013, the Trustee withheld scheduled principal payments of \$29,685 related to the Series 2001-A, 2003-A, 2003-B and 2003-C Sewer Warrants and interest payments of approximately \$4,069 related to the Series 1997-A, 2001-A, 2003-A and the fixed rate 2003-B Sewer Warrants. Likewise, starting February 1, 2013 and continuing to August 2013, the Trustee withheld interest payments totaling \$5,077 related to the Series 2002-A, 2002-C, 2003-B and 2003-C Sewer Warrants. See Note V - Subsequent Events.

The Commission suspended payment of certain principal and interest payments on warrants until such debt service can be restructured under the Commission's Plan of Adjustment under Chapter 9 Bankruptcy. See Note V - Subsequent Events and Note W - Bankruptcy and Proposed Restructuring.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE K - DERIVATIVES/INTEREST RATE SWAP AGREEMENTS

The Commission's asset/liability strategy was to have a mixture of fixed and variable rate debt. During fiscal years ended 2001 to 2003, the Commission decided to synthetically create fixed rate debt by entering into certain interest rate swap agreements that effectively changed the interest rates on certain warrants from variable rates to fixed rates. The Commission subsequently entered into additional interest rate swap agreements and related swap option agreements (swaptions) in an effort to hedge more effectively interest costs on the warrants outstanding.

In connection with the issuance of the Sewer Revenue Warrants, the Commission entered into various interest rate swap transactions, all of which were terminated prior to September 30, 2012.

The Commission's obligations to the counterparties under the ISDA Master Agreements and related schedules and annexes (collectively, the Swap Agreements) that govern such transactions are secured by a pledge of the net sewer revenues of the Commission that is on a parity with the pledge of such net revenues for the benefit of the Sewer Revenue Warrants, except with respect to swap termination payments, which are secured by a subordinate pledge.

The interest rate swap agreements used the ISDA Master Agreement, which includes standard termination events. Each of the Schedules to the Master Agreement includes an "additional termination event." Under this provision, the interest rate swap agreements may be terminated if the long-term sewer revenue indebtedness of the Commission is rated lower than "BBB" by S&P or lower than "Baa2" by Moody's, and the Commission has not, within 10 days, either (a) executed and delivered a collateral agreement satisfactory in form and substance to the counterparty providing for the collateralization of the Commission's obligations under the swaps or (b) obtained an insurance policy satisfactory in form and substance to the counterparty by a financial insurer satisfactory to the counterparties insuring the prompt and timely performance of the Commission's obligations under the related agreement.

All of the interest rate swap agreements were terminated prior to September 30, 2009; therefore, the fair value of the interest rate swap agreements as of September 30, 2012, was estimated using the Market Quotation Method (termination payment notice fee plus accrued interest).

Valuation

Interest rate swap agreements generally have a fair value associated with each agreement, based on the original terms of the agreements and the relationship to interest rates in the current market. However, as noted above, the interest rate swap agreements were terminated, so the reported fair value consists of any termination fees payable plus any related accrued interest.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE K - DERIVATIVES/INTEREST RATE SWAP AGREEMENTS - Continued

Following is a summary of the estimated fair value of the terminated interest rate swap agreements the Commission executed with counterparties that have amounts payable at September 30, 2012 (all terminated prior to September 30, 2009) (all amounts reported in thousands):

| Issue and Counterparty | Original Notional Amount | Termination Date | Termination Payment Notice - (Payment) Receipt | Amount Waived Per Litigation Settlements | Accrued Interest | Estimated Fair Value - (Negative) |
|---------------------------------|--------------------------------|---------------------|--|--|---------------------|---|
| Business-Type Activities | | | | | | |
| Series 2002-A Warrants: | | | | | | |
| JPMorgan Chase Bank | \$ 110,000 | 3/3/2009 | \$ (37,857) | \$ 37,857 | \$ - | \$ - |
| Bear Stearns | 110,000 | 3/3/2009 | (25,835) | NA | (173) | (26,008) |
| Series 2002-C Warrants: | | | | | | |
| JPMorgan Chase Bank | 539,446 | 3/3/2009 | (153,756) | 153,756 | - | - |
| Bank of America | 110,000 | 7/15/2008 | (11,866) | 11,866 | - | - |
| Lehman Brothers | 190,054 | 12/15/2008 | (68,568) | NA | (10,192) | (78,760) |
| Bear Stearns | 824,700 | 3/3/2009 | 10,524 | NA | 162 | 10,686 |
| Series 2003-B Warrants: | | | | | | |
| JPMorgan Chase Bank | 1,035,800 | 3/3/2009 | (255,717) | 255,717 | - | - |
| Bear Stearns | 633,078 | 3/3/2009 | 6,250 | NA | 137 | 6,387 |
| Bank of America | 379,847 | 7/15/2008 | (2,560) | 2,560 | - | - |
| Series 2003-C Warrants: | | | | | | |
| JPMorgan Chase Bank | 789,019 | 3/3/2009 | (194,224) | 194,224 | - | - |
| Bank of America | 263,006 | 7/15/2008 | (16,763) | 16,763 | - | - |
| Series 1997-A, 2001-A, 2002-C: | | | | | | |
| JPMorgan Chase Bank | 200,000 | 3/3/2009 | (3,500) | 3,500 | - | - |
| Series 1997-A, 2002-C, 2003-B: | | | | | | |
| JPMorgan Chase Bank | 175,000 | 3/3/2009 | (2,750) | 2,750 | - | - |
| | 5,359,950 | | (756,622) | 678,993 | (10,066) | (87,695) |
| Governmental Activities | | | | | | |
| Series 2001-B Warrants: | | | | | | |
| JPMorgan Chase Bank | 120,000 | 9/4/2008 | (7,894) | - | (1,373) | (9,267) |
| | <u>\$5,479,950</u> | | <u>\$ (764,516)</u> | <u>\$ 678,993</u> | <u>\$ (11,439)</u> | <u>\$ (96,962)</u> |

Termination Events

Certain events occurred during fiscal 2009 and 2008 in connection with the interest rate swap agreements that triggered an additional termination event for the various interest rate swap agreements. The additional termination events gave the counterparty to each agreement the right for early termination of the interest rate swap agreements, and all interest rate swap agreements were terminated prior to September 30, 2009.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE K - DERIVATIVES/INTEREST RATE SWAP AGREEMENTS - Continued

As a result of the additional termination events and related developments affecting the warrants, the Commission entered into separate Forbearance Agreements with each of the counterparties, and payments on the interest rate swap transactions were temporarily suspended. However, all such agreements expired in 2009, and all payments under the swap agreements then became due and payable to the counterparties.

All such interest rate swap agreements were terminated. See the section entitled "Interest Rate Swap Agreements Termination Events" within this note for further disclosures regarding the termination of the interest rate swap agreements.

BUSINESS-TYPE ACTIVITIES (amounts in thousands)

Interest Rate Swap Agreements Termination Events

The Commission received a notice from Bank of America, N.A. dated July 14, 2008 (amended July 15, 2008), designating July 15, 2008, as the Early Termination Date under the interest rate swap agreements, with regards to each of the interest rate swap transactions between Bank of America, N.A. and the Commission. The termination event resulted in \$31,189 of termination fees, net of all swap payments outstanding under the Forbearance Agreement, due to Bank of America.

The Commission received a notice from Lehman Brothers Special Financing, Inc. dated December 12, 2008, designating December 15, 2008, as the Early Termination Date under the swap agreements, with regards to each of the interest rate swap transactions between Lehman Brothers Special Financing, Inc. and the Commission. The termination event resulted in \$68,568 of termination fees, net of all swap payments outstanding under the Forbearance Agreement, due to Lehman Brothers Special Financing, Inc.

The Commission received a notice from Bear Stearns dated March 2, 2009, designating March 3, 2009, as the Early Termination Date under the swap agreements, with regards to each of the interest rate swap transactions between Bear Stearns and the Commission. The termination event resulted in \$9,061 of termination fees, net of all swap payments outstanding under the Forbearance Agreement, due to Bear Stearns.

The Commission received a notice from JPMorgan Chase Bank dated March 2, 2009, designating March 3, 2009, as the Early Termination Date under the swap agreements, with regards to each of the interest rate swap transactions between JPMorgan Chase Bank and the Commission.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE K - DERIVATIVES/INTEREST RATE SWAP AGREEMENTS - Continued

Legal Settlement - JP Morgan Chase Bank

The termination event resulted in \$647,804 of termination fees, net of all swap payments outstanding under the Forbearance Agreement, due to JPMorgan Chase Bank. JPMorgan Chase Bank waived the termination fees on November 4, 2009, and paid the Commission \$75,000 as part of a legal settlement with the Securities and Exchange Commission (SEC) and the Commission.

The settlement agreement stated that the payment of \$50,000 received by the Commission on November 9, 2009, be to and for the benefit of Jefferson County, Alabama, for the purpose of assisting displaced Commission employees, residents and sewer ratepayers. The second payment of \$25,000 was initially payable to the SEC but was subsequently paid to the Commission on February 11, 2011.

Legal Settlement - Wachovia Bank, N.A.

The Securities and Exchange Commission filed a Complaint, and Wachovia Bank, N.A., now known as Wells Fargo Bank, N.A., successor by merger, consented to a Final Judgment without admitting or denying the allegations of the complaint related to certain warrant transactions that included the Commission Series 2003-B Warrants and related interest rate swap derivative transactions, resulting in two legal settlement payments totaling \$5,978 that were paid to the Commission in December 2011.

Legal Settlement - Bank of America Corporation

The Commission elected to participate in a settlement agreement with Bank of America Corporation (BAC) and various states' Attorney Generals regarding certain Sewer Revenue Warrants and the related interest rate swap derivative transactions, resulting in a legal settlement of \$2,281 paid to the Commission in March 2012. In addition to the settlement funds and as additional consideration for the release by the Commission, BAC further releases and forgave its claim for the hedge fund payment amount and any related interest, fees or charges of \$31,189 termination fees plus approximately \$4,500 of accrued interest, which represents the estimated termination fees and related accrued interest for the interest rate swap agreements with BAC for the Sewer Revenue Warrants.

The Commission has not made any periodic payments with regards to any of the interest rate swap agreements or the swap termination fees. The termination fees are included in certain Plan Support Agreements as part of the Chapter 9 Bankruptcy Plan - see Note W - Bankruptcy and Proposed Restructuring.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE K - DERIVATIVES/INTEREST RATE SWAP AGREEMENTS - Continued

GOVERNMENTAL ACTIVITIES (amounts in thousands)

General Obligation Warrants, Series 2001-B

The Commission entered into an interest rate swap agreement in connection with its \$120,000 variable rate revenue warrants in April 2001 with JPMorgan Chase Bank and was terminated on September 4, 2008.

The Commission's obligations to the counterparties under the ISDA Master Agreements and related schedules and annexes (collectively, the Swap Agreements) govern such transactions. The Swap Agreement provides that a downgrade of the Commission's long-term general obligation indebtedness below "BBB" by S&P or below "Baa2" by Moody's constituted an Additional Termination Event unless the Commission within 10 days of the date of the downgrade (a) executed and delivered a collateral agreement satisfactory to the counterparty providing for the collateralization of the Commission's obligations under such Swap Agreement or (b) obtained an insurance policy by a financial insurer satisfactory to the counterparty insuring the prompt and timely performance of the Commission's obligations under such Swap Agreement.

Due to the downgrades of the Commission's underlying ratings on the long-term general obligation indebtedness (as discussed above in the Material Events Notices section), along with the failure to post collateral or provide insurance, an Additional Termination Event on the Swap Agreement occurred during August 2008. With the occurrence of the Additional Termination Event, the counterparty had the right, exercisable at its discretion, to terminate its swap transaction upon notice to the Commission. When the counterparty exercised its right to terminate, the Commission was obligated to pay the resulting termination payment in accordance with the provisions of the Interest Rate Swap Agreement. The termination of the interest rate swap agreement resulted in an additional termination payment that would be due to the counterparty.

Interest Rate Swap Agreements Termination Events

The Commission received a notice from JPMorgan Chase Bank dated August 27, 2008, designating September 4, 2008, as the Early Termination Date under the 2001 Warrant - Series B General Obligation Warrants Interest Rate Swap Agreement. The termination event resulted in \$7,894 of termination fees due to JPMorgan Chase Bank. These termination fees were not part of the SEC legal settlement mentioned above and are still outstanding as of September 30, 2012, and accrued in these financial statements.

A September 5, 2008, notice stated that after applying the Market Quotation Method, as provided for in the swap agreement, the Commission owed JPMorgan Chase Bank a termination amount of \$8,086 less unpaid amounts owed to the Commission of \$192, or a net payment amount of \$7,894. The negative fair value was \$9,267 for the JPMorgan Chase Bank interest rate swap agreement as of September 30, 2012, including \$1,373 of accrued interest.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE L - CONDUIT DEBT OBLIGATIONS

The Commission issued Limited Obligation School Warrants, Series 2000 in order to finance the costs of acquiring certain public school facilities (the Leased Property) of the Jefferson County Board of Education (the Board) for lease back to the Board. The funds were used to retire the Board's current revenue anticipation warrant dated May 3, 2000. The Board simultaneously executed a capital lease agreement with the Commission for the aforementioned property and pledged tax proceeds for the lease payments which will approximate debt service requirements under the Jefferson County Commission's Limited Obligation School Warrants, Series 2000.

The warrants do not constitute a debt or pledge of the faith and credit of the Jefferson County Commission and, accordingly, have not been reported in the accompanying financial statements. Upon repayment of the warrants, ownership of the leased property will return to the Board. As of September 30, 2012, the principal amount outstanding was \$23,935,000.

NOTE M - DEFINED BENEFIT PENSION PLAN

Plan Description

The General Retirement System for Employees of Jefferson County, Alabama (the Retirement System) is the administrator of a single-employer, defined benefit pension plan (the Plan) covering substantially all employees of Jefferson County, Alabama. The Retirement System was established by Act Number 497, Acts of Alabama 1965, page 717, and provides guidelines for benefits to retired and disabled employees of the Commission.

The Plan's financial statements are publicly available in the annual report of the General Retirement System for Employees of Jefferson County, Alabama for the year ended September 30, 2012. The report may be reviewed at the Jefferson County Courthouse, Room 430, Birmingham, Alabama.

Funding Policy

Employees of the Commission are required by statute to contribute six percent of their gross salary to the Retirement System. The Commission is required to contribute amounts equal to participant contributions. The Plan also receives from the Commission a percentage of the proceeds from the sale of pistol permits.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE M - DEFINED BENEFIT PENSION PLAN - Continued

Annual Pension Cost

For the year ended September 30, 2012, the Commission's annual pension contribution of \$7,647,000 was equal to the Commission's required and actual contribution. The required contribution was determined using the "entry age normal" method. The actuarial assumptions as of October 1, 2012, the latest actuarial valuation date, were: (a) 7.0-percent investment rate of return on present and future assets and (b) projected salary increases of 4.25 to 7.25 percent. Both (a) and (b) include an inflation component of 3.25 percent.

The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The funding excess is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period as of October 1, 2012, was five years.

The following is three-year trend information for the Commission:

| Fiscal Year Ending | Annual Pension Cost (APC) (in Thousands) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------|--|----------------------------------|------------------------|
| 09/30/2012 | \$ 7,744 | 100% | \$ - |
| 09/30/2011 | 8,923 | 100% | - |
| 09/30/2010 | 9,297 | 100% | - |

Funding Progress

For the year ended September 30, 2012, funding progress and related information for the Commission is as follows:

| (In Thousands) | | | | | | |
|--------------------------------|-------------------------------------|---|---------------------------------|-----------------------|------------------------|---|
| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL As a Percentage of Covered Payroll [(b-a)/c] |
| 09/30/12 | \$ 931,093 | \$ 913,822 | \$ (17,271) | 101.89% | \$ 118,896 | (14.53%) |

The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information about whether the actuarial value of pension assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE N - OTHER POSTEMPLOYMENT BENEFITS (OPEBS)

In addition to the pension benefits described in Note M, the Commission sponsors a single-employer postretirement welfare benefit plan (OPEB Plan) in accordance with a resolution first approved by the Commission on September 25, 1990, and approved annually thereafter. The OPEB Plan provides for medical insurance coverage to eligible retirees and their dependents as indicated below:

Benefits are generally available at the earliest of the following:

1. Age 60 and completion of 10 years of paid membership service,
2. 30 years of paid membership service or
3. Age 55 with 30 years of service of which 20 must be paid membership service.

Eligibility: Subject to the operative terms and provisions of the OPEB Plan, an individual is eligible who: (a) has not reached age 65, (b) is vested and thus entitled to receive, either currently or in the future, a retirement benefit and (c) is covered by the Jefferson County active employee group health insurance plan for hospital, physician, major medical and prescription drug benefits immediately before the date the retirement benefit becomes payable or, for an employee who is involuntarily retired, is covered by the Jefferson County active employee group health insurance plan as of the employee's date of separation from employment. Regardless of any operative terms or provisions of the OPEB Plan, (a) an individual who is eligible for Medicare enrollment on the date he or she is eligible to receive a retirement benefit shall be ineligible for OPEB Plan enrollment as an eligible retiree (but such individual shall be treated as an eligible employee solely for the purposes of OPEB Plan enrollment of eligible dependents) and (b) an eligible retiree's OPEB Plan coverage shall terminate if he or she becomes eligible for Medicare enrollment.

Eligible Dependent Coverage: Subject to the operative terms and provisions of the OPEB Plan, an eligible retiree who is himself or herself eligible for OPEB Plan coverage may enroll each eligible dependent of his or hers. However, an eligible dependent will be ineligible for OPEB Plan enrollment if he or she has reached age 65 or is eligible for Medicare enrollment on the date he or she otherwise would be eligible for OPEB Plan enrollment as an eligible dependent.

Benefit Types: Medical and prescription drug benefits are provided to all eligible retirees. Dependents of eligible retirees are granted the same benefits as the retiree.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE N - OTHER POSTEMPLOYMENT BENEFITS (OPEBS) - Continued

OPEB benefits include postemployment benefits of health, prescription drug, dental, vision and life insurance coverage for retirees; long-term care coverage, life insurance and death benefits that are not offered as part of a pension plan; and long-term disability insurance for employees. These benefits are typically financed on a pay-as-you-go basis. GAAP requires accrual-basis accounting, thereby recognizing the employer cost of postemployment benefits over an employee's career.

The total cost of providing postemployment benefits is projected, taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends and other actuarial assumptions. This amount is then discounted to determine the actuarial present value of the total projected benefits (APB). The actuarial accrued liability (AAL) is the portion of the present value of the total projected benefits allocated to years of employment prior to the measurement date. The unfunded actuarial accrued liability (UAAL) is the difference between the AAL and actuarial value of assets in the Plan.

As of September 30, 2011, the most recent actuarial valuation date, the OPEB had 542 retired participants. The OPEB Plan had a total of 3,089 and 37 active participants and vested terminated participants, respectively. The Commission subsidizes a portion of the retirees' health care insurance premiums based on the total years of County service and age at retirement. The Commission's subsidy for each covered retired employee ranges from \$383 to \$1,026 per month, and total insurance premiums range from \$510 to \$1,367.

Once the UAAL is determined, the annual required contribution (ARC) is determined as the normal cost (the APB allocated to the current year of service) and the amortization of the UAAL. This ARC is compared to actual contributions made, and any difference is reported as the net OPEB obligation (NOO). In addition, required supplementary information (RSI) must be reported, including historical information about the UAAL and the progress in funding the OPEB Plan.

The OPEB Plan does not issue a stand-alone financial report.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE N - OTHER POSTEMPLOYMENT BENEFITS (OPEBS) - Continued

Funding Policy - The Commission has not set aside assets in a qualifying trust fund as of September 30, 2012, and is currently financing the OPEB Plan on a pay-as-you-go basis. Retirees and employees are not required to contribute to the OPEB Plan.

The Commission's OPEB cost is calculated based on the ARC calculated using the projected unit credit method, an allowable cost method under GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits (OPEB) other than Pensions* (Statement No. 45). The ARC is the basic annual expense recognized under Statement No. 45 that is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities over a period not to exceed 30 years, which is the amortization period used by the OPEB Plan.

The following table shows the components of the Commission's OPEB cost for the year, the amount contributed to the OPEB Plan and the changes in the Commission's net OPEB obligation:

| (In Thousands) | | | | | | | | | | |
|--------------------------|-----------------|----------------------------------|------------------------------|-----------------------|------------------------------|--------------------------------|---|--|------------------------------|--------------------------|
| Actuarial Valuation Date | Fiscal Year End | Annual Required Contribution (a) | Interest on Existing NOO (b) | Adjustment to ARC (c) | Annual OPEB Cost (a+b+c = d) | Annual Contribution Amount (e) | Percentage of OPEB Cost Contributed (e/d) | Net Increase (Decrease) in NOO (d-e = f) | NOO at Beginning of Year (g) | NOO at End of Year (f+g) |
| 09/30/11 | 09/30/12 | \$ 6,419 | \$ 214 | \$ (198) | \$ 6,435 | \$ 3,430 | 53.3% | \$ 3,005 | \$ 5,358 | \$ 8,363 |
| 09/30/10 | 09/30/11 | 7,436 | 102 | (94) | 7,444 | 4,640 | 62.3% | 2,804 | 2,554 | 5,358 |
| 09/30/10 | 09/30/10 | 7,436 | 26 | (24) | 7,438 | 5,523 | 74.3% | 1,915 | 639 | 2,554 |
| 09/30/08 | 09/30/09 | 5,038 | (1) | 1 | 5,038 | 4,371 | 86.8% | 667 | (28) | 639 |
| 09/30/08 | 09/30/08 | 5,038 | - | - | 5,038 | 5,066 | 100.6% | (28) | - | (28) |

Funding Status and Funding Progress

As of September 30, 2011, the most recent actuarial valuation date, the OPEB was zero percent funded. The actuarial accrued liability was \$80,163,000, and the actuarial value of assets was \$-0-, resulting in an unfunded actuarial accrued liability of \$80,163,000. Covered payroll was approximately \$118,896,000, resulting in unfunded actuarial liability as a percentage of payroll of 67 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Amounts determined regarding the funded status of the OPEB and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multiyear trend information about whether the actuarial value of OPEB assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE N - OTHER POSTEMPLOYMENT BENEFITS (OPEBS) - Continued

The accompanying schedules of employer contributions present trend information about the amounts contributed to the OPEB by employers in comparison to the ARC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Actuarial Methods and Assumptions

The information presented above was determined as part of the actuarial valuation at the date indicated. Projections of benefits for financial reporting purposes are based on the substantive plan (the OPEB as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Additional information as of the latest actuarial valuation follows:

| | |
|-------------------------------|---|
| Valuation Date | September 30, 2011 |
| Actuarial Cost Method | Projected Unit Credit Method |
| Amortization Method | Level Percent of Pay, Open |
| Remaining Amortization Period | 30 years |
| Asset Valuation Method | Market Value of Assets |
| Mortality | RP-2000 Employee Mortality Table |
| Discount Rate | 4% |
| Projected Payroll Increases | 3.25% |
| Inflation Rate | 3.25% |
| Health Care Costs Rates | Pre-Medicare Medical Trend 10.5% graded to 5% over 7 years |

NOTE O - RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission maintains a risk management program in order to minimize its exposures to loss. Risk financing for these various exposures is accomplished through the following methods:

- *General and Auto Liability* - Self-insured with an established department to finance losses.
- *Workers' Compensation* - Self-insured with a retention of \$550,000, with excess coverage for statutory amounts above the retention covered by commercial insurance.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE O - RISK MANAGEMENT - Continued

- *Property Insurance* - Commercial insurance coverage purchased in the maximum amount of \$1 billion per occurrence, except a separate annual aggregate of \$50 million flood and earthquake, to include the following sublimits: (a) the Commission participates in an Owner Controlled Insurance Program with respect to property in the course of construction, builder's risks and installation or erection; (b) \$50 million per occurrence as included in the \$500 million loss limit subject to the policy terms and conditions; (c) \$5 million with respect to extra expense and (d) \$500,000 with respect to transit.
- *Hospital and Nursing Home Medical Malpractice and General Liability* - Certain medical professional employees purchase individual insurance protection that is applicable to their Commission employment. The Commission reimburses premiums for medical malpractice - professional liability insurance coverage for those Commission medical professional employees in amounts up to a stated amount per year. The Commission has also purchased professional and general liability insurance with coverage consisting of \$1 million per occurrence and \$3 million aggregate.
- *Health Insurance* - Self-insured with excess coverage through a commercial insurance provider. The Commission purchases specific reinsurance coverage with an unlimited benefit for each covered person, subject to a \$250,000 deductible per covered person. Employees may obtain health care services through participation in the Commission's group health insurance plan. Risk management administers health insurance and negotiates with private providers to provide health, life, accidental death and dismemberment, vision and dental insurances for its employees and dependents. The Commission pays approximately 75 percent of health and 100 percent of basic life and accidental death and dismemberment, and the employees pay 100 percent of dental and vision insurance and other voluntary insurance plans. The Commission's risk financing activities associated with the Commission group health insurance, such as the risks of loss related to medical and prescription drug claims, are administered through third parties on a paid-claims basis.

For the year ended September 30, 2012, changes in the claims liabilities for the health self-insured activities for the Commission are as follows:

| Balance October 1, 2011 | Claims Incurred | Claims Paid | Increase/ Decrease in Provision | Balance September 30, 2012 |
|------------------------------------|----------------------------|--------------------|--|---|
| \$ 3,326,000 | \$ 17,168,000 | \$ (19,942,000) | \$ 646,000 | \$ 1,198,000 |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE O - RISK MANAGEMENT - Continued

For the year ended September 30, 2012, changes in the claims liabilities for the general, auto and workers' compensation self-insured activities for the Commission are as follows:

| | (In Thousands) | | | | | | | |
|--|-------------------|-----------------|----------------|---------------|-----------------------|-----------------|-----------------|-----------------|
| | General Liability | | Auto Liability | | Workers' Compensation | | Totals | |
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| Unpaid claims and claim adjustment expenses: | | | | | | | | |
| Accrual at beginning of fiscal year | \$ 1,929 | \$ 1,335 | \$ 300 | \$ 269 | \$ 4,040 | \$ 4,230 | \$ 6,269 | \$ 5,834 |
| Incurring claims and claim adjustment expenses: | | | | | | | | |
| Provision for insured events of current fiscal year | 519 | 915 | 45 | 127 | 1,197 | 962 | 1,761 | 2,004 |
| Increases/decreases in provision for insured events of prior fiscal years | (251) | (150) | 21 | (88) | 330 | (18) | 100 | (256) |
| Total incurred claims and claim adjustment expenses | 268 | 765 | 66 | 39 | 1,527 | 944 | 1,861 | 1,748 |
| Payments: | | | | | | | | |
| Claims and claim adjustment expenses attributable to insured events of current fiscal year | (77) | (171) | (34) | (8) | (217) | (1,134) | (328) | (1,313) |
| Claims and claim adjustment expenses attributable to insured events of prior fiscal years | - | - | - | - | (1,175) | - | (1,175) | - |
| Total payments | (77) | (171) | (34) | (8) | (1,392) | (1,134) | (1,503) | (1,313) |
| Accrual at end of fiscal year | <u>\$ 2,120</u> | <u>\$ 1,929</u> | <u>\$ 332</u> | <u>\$ 300</u> | <u>\$ 4,175</u> | <u>\$ 4,040</u> | <u>\$ 6,627</u> | <u>\$ 6,269</u> |

NOTE P - JEFFERSON COUNTY ECONOMIC AND INDUSTRIAL DEVELOPMENT AUTHORITY

The Jefferson County Economic and Industrial Development Authority (the Development Authority) is considered a blended component unit of the Commission. The financial position and results of operations of the Development Authority have been included in the accompanying financial statements as a nonmajor enterprise fund with any significant interfund activity being eliminated. At September 30, 2012, the Development Authority was indebted to the Commission in the amount of \$15,394,000, which is presented as advances due to/from other funds in the accompanying statement of net assets. This amount is eliminated in the government-wide statement of net assets.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

**NOTE P - JEFFERSON COUNTY ECONOMIC AND INDUSTRIAL DEVELOPMENT
AUTHORITY - Continued**

Warrants Payable

The following summarizes the changes in the Development Authority's warrants payable for the year ended September 30, 2012:

| | (In Thousands) | | | |
|-----------------------------|----------------------|-----------|------------|-------------------|
| | Beginning Balance | Additions | Reductions | Ending Balance |
| Warrant issue - 2004 series | \$ 1,850 | \$ - | \$ 1,435 | \$ 415 |
| Less amount due in one year | | | | 415 |
| | | | | \$ - |

Warrants payable are comprised of the following at September 30, 2012 (in thousands):

| | |
|---|--------|
| Industrial Park Revenue Bonds, Series 2004, with interest paid semiannually at fixed rates ranging from 1.48% to 3.90% and annual principal payments ranging from \$415 to \$1,435 through March 1, 2013 (less unamortized discount of \$1 and deferred loss on refunding of \$2, of which all are current) | \$ 412 |
| Less amount due in one year, net | 412 |
| Warrants payable - noncurrent, net | \$ - |

The maturities of long-term obligations are as follows at September 30 (in thousands):

| | Principal | Interest | Total |
|------|-----------|----------|--------|
| 2013 | \$ 415 | \$ 7 | \$ 422 |

As of September 30, 2012, the amount recorded for deferred charges - issuance costs was \$1,000, which is classified as current assets.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

**NOTE P - JEFFERSON COUNTY ECONOMIC AND INDUSTRIAL DEVELOPMENT
AUTHORITY - Continued**

Defeased Debt

On February 2, 2004, the Development Authority issued \$10,650,000 of Industrial Park Revenue Bonds of which \$10,650,000 was placed in an irrevocable trust for the purpose of generating resources for all future debt service payments through 2013 (\$11,465,000 principal) of the 1998 bonds. As a result, the refunded bonds are considered to be defeased, and the liability was removed. The outstanding balance of defeased debt as of September 30, 2012, was \$1,450,000.

NOTE Q - TRANSACTIONS WITH OTHER FUNDS

Advances to/from Other Funds

The amounts of advances to/from other funds at September 30, 2012, were as follows:

| | Advances from Other Funds (in Thousands) | | | | | Totals |
|-----------------------------|--|-------------------------------|--------------------------------|-----------------------------------|---------------------------------|------------------|
| | Limited Obligation School Fund | Cooper Green Hospital Fund | Sanitary Operations Fund | Nonmajor Governmental Funds | Nonmajor Enterprise Funds | |
| Advances to other funds: | | | | | | |
| General Fund | \$ 21 | \$ 6,926 | \$ - | \$ 139 | \$ 17,661 | \$ 24,747 |
| Nonmajor Governmental Funds | - | - | - | - | 16,800 | 16,800 |
| | <u>\$ 21</u> | <u>\$ 6,926</u> | <u>\$ -</u> | <u>\$ 139</u> | <u>\$ 34,461</u> | <u>\$ 41,547</u> |

Advances to/from other funds are generally for one of the following reasons: (a) amounts loaned from one fund to another to finance daily operations and are expected to be received within one year, (b) amounts loaned from one fund to another from the refinancing of general obligation warrants in previous years or for the purchase of investment property and are not expected to be repaid within one year or (c) amounts payable from one fund to another for indirect cost allocations and are expected to be received within one year.

The Commission has fully reserved the receivable for indirect costs from the Sanitary Operations Fund to the General Fund of \$7,052,000 at September 30, 2012. The status of this receivable is uncertain and may be subject to dispute but the Commission has reserved all of its rights in connection therewith.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE Q - TRANSACTIONS WITH OTHER FUNDS - Continued

Interfund Transfers

The amounts of interfund transfers during the fiscal year ended September 30, 2012, were as follows:

| | Transfers in (in Thousands) | | | | Totals |
|---------------------------------|-----------------------------|----------------------------|-----------------------------|---------------------------|------------------|
| | General Fund | Cooper Green Hospital Fund | Nonmajor Governmental Funds | Nonmajor Enterprise Funds | |
| Transfers out: | | | | | |
| General Fund | \$ - | \$ 4,194 | \$ 4,055 | \$ 793 | \$ 9,042 |
| Indigent Care Fund | 64 | 46,198 | - | - | 46,262 |
| Bridge and Public Building Fund | 15,392 | - | 27,424 | - | 42,816 |
| | <u>\$ 15,456</u> | <u>\$ 50,392</u> | <u>\$ 31,479</u> | <u>\$ 793</u> | <u>\$ 98,120</u> |

The Commission typically uses transfers to fund ongoing operating subsidies, to service a portion of current-year debt requirements and to provide for hospital operations. The Commission transferred capital assets from the Community Development Fund to the Cooper Green Hospital Fund of \$955,000 during the year.

NOTE R - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

At September 30, 2012, the Commission has commitments of the following:

| Name of Commitment | (in Thousands) Amount |
|---|--------------------------|
| Cahaba to Valley Creek wastewater treatment plant | \$ 698 |
| Linndale Road improvements | 500 |
| Village Creek wastewater treatment plant | 795 |
| Tornado-related emergency assistance | 7,898 |
| Brooklane Road improvements | 1,500 |
| Cahaba River wastewater treatment plant | 778 |
| Environmental Services equipment purchases | 600 |
| Sewer collection system asset management program | 2,491 |
| Cahaba River sewer system monitoring | 839 |
| Sewer system long-term flow monitoring | 650 |
| Sewer repairs and maintenance | 3,718 |
| Environmental Services legal fees | 608 |
| | <u>\$ 21,075</u> |

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

**NOTE R - CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS -
Continued**

From time to time, the Commission enters into agreements with developers and vendors to promote economic development within Jefferson County. As of September 30, 2012, the Commission accrued expenses related to these agreements of \$1,365,000 into general fund accounts payable in the accompanying balance sheet. The Commission continues to explore renegotiating its economic development agreements in bankruptcy. As of September 30, 2012, the following schedule details estimated payments to be made in subsequent years assuming the developers and vendors meet specific criteria within the agreements and assuming no further changes to the agreements during bankruptcy (in thousands):

| | | |
|------|----|-------|
| 2013 | \$ | 2,175 |
| 2014 | | 2,175 |
| 2015 | | 2,175 |
| 2016 | | 800 |
| | | 800 |
| | \$ | 7,325 |

NOTE S - CONTINGENT LIABILITIES AND LITIGATION

Edwards v. Jefferson County, Case number CV-07-900873, was filed in the Circuit Court of Jefferson County, Alabama, Birmingham Division, on May 11, 2007. Plaintiffs in this action successfully obtained, on behalf of a class, a declaration that the Commission’s occupational, license and privilege taxes were invalid and an injunction against the further collection of those taxes. The Alabama Supreme Court affirmed this ruling.

As a result, the Commission was ordered to refund those taxes in the amount of approximately \$37,800,000. To that end, the Commission escrowed occupational tax collections from January 12, 2009 to August 13, 2009. While the case was on its first appeal, the Alabama Legislature reauthorized the Commission to collect occupational, license and privilege taxes. In a subsequent appeal, the Alabama Supreme Court recognized that, under the new legislation, the Commission could levy and collect the new tax for the period covered by the escrow, but the Commission could not simply transfer to itself the amounts that had been escrowed. After this second appeal, the Commission mediated with plaintiffs’ counsel and reached a settlement framework applicable to approximately \$6,500,000 of the escrowed taxes (the Edwards Preliminary Settlement Amount). On May 19, 2011, the trial court ordered that \$31,416,169 be refunded to taxpayers, less any attorneys’ fees that may be awarded by the Court.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

By order dated August 9, 2011, the trial court gave final approval to the settlement that had been reached between the named class representatives and the Commission. Based on the final settlement, some 900 taxpayers who opted out of the class received their pro rata share of approximately \$30,000, which was deducted from the Edwards Preliminary Settlement Amount, and received a release from potential retroactive taxation. All other taxpayers who did not elect to opt out of the class received a release from the Commission for any potential re-collection of occupational, license or privilege taxes for the escrow period, and the taxpayers, in turn, forego the right to receive their pro rata share of the Edwards Preliminary Settlement Amount. Taxpayers who did opt out of the class received their pro rata share of the settlement fund, but the Commission has already paid \$1,100,000 to cover the administrative costs of refund administration pursuant to the trial court's order. The final settlement provided an additional \$70,000 paid from the Edwards Preliminary Settlement Amount to cover expenses. Based on the final approval, approximately \$6,400,000 was returned to the Commission. Two members of the settlement subclass have filed an appeal of the trial court's final approval of the settlement. The Bankruptcy Court granted the County's motion to lift the automatic stays as to such appeal. On November 16, 2012, the Alabama Supreme Court affirmed the trial court's order approving the final settlement.

Weissman v. Jefferson County, Case number CV-09-904022, was filed in the Circuit Court of Jefferson County, Alabama, Birmingham Division, in December 2009. This case is a certified class action on behalf of occupational, license and privilege taxpayers who paid such taxes pursuant to Alabama Act 2009-811. The taxes levied between August 1 and December 31, 2009, amounted to approximately \$31 million.

On December 1, 2010, the trial court granted summary judgment for the plaintiffs and enjoined the Commission from collecting any tax under authority of this act but did not order the Commission to refund amounts already collected. On March 16, 2011, the Supreme Court of Alabama affirmed the ruling that the statute was unconstitutional but did not decide the question whether the Commission must refund the taxes collected prior to December 1, 2010. On August 8, 2012, the Bankruptcy Court granted the County's request that the appeal be allowed to proceed. On November 16, 2012, the Supreme Court of Alabama ruled that the County was not required to refund the taxes collected prior to December 1, 2010. The Bankruptcy Court thereafter modified the automatic stays to allow the plaintiffs to file a petition for writ of certiorari to the Supreme Court of the United States of America. No writ of certiorari was filed.

Prior to the Alabama Supreme Court's ruling, the Weissman plaintiffs filed a proof of claim in the Bankruptcy Case asserting a claim for the refund of the taxes at issue in the Supreme Court's decision. Subsequent to the Alabama Supreme Court's opinion, the Weissman plaintiffs withdrew their proof of claim. This matter is concluded.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

Wilson v. Bank of America, et al, Case number CV-2008-901907.00, was filed on June 16, 2008, in the Circuit Court of Jefferson County, Alabama, Birmingham Division. Plaintiffs, representatives of a putative class, allege that Jefferson County's sewer rates are unconstitutionally high, that the Indenture pursuant to which the Commission issued sewer warrants is invalid and that the chapter of the Alabama Code that authorized the issuance of the Commission's sewer warrants is invalid. Plaintiffs have sued several banks and individuals in addition to the Commission. The Commission, along with numerous other parties, moved to dismiss the action. The Bankruptcy Court subsequently denied all motions to dismiss. Several defendants petitioned the Alabama Supreme Court for writs of mandamus to have the trial court's denial of the motions to dismiss overturned, but the Alabama Supreme Court has not yet ruled on those petitions. In December 2011, one of the counts in this lawsuit was removed to the United States District Court for the Northern District of Alabama, which referred that count to the Bankruptcy Court, where the removed count was assigned Adversary Proceeding Number 11-00433-TBB. The matter remains pending with one count in Bankruptcy Court and one count in state court. The count in state court is stayed by operation of the automatic stays in effect in the Commission's Bankruptcy Case. The Commission cannot estimate a loss, if any, related to this case as of September 30, 2012.

Bank of New York Mellon as Trustee v. Jefferson County, et al, Case number 2:08-CV-1703-RDP, was filed on September 16, 2008, in the United States District Court for the Northern District of Alabama, Southern Division. This case was stayed prior to the commencement of the Bankruptcy Case and has been administratively closed. The plaintiffs in this action had sought the appointment of a receiver over the Commission's sanitary sewer system, but the federal district court abstained from exercising jurisdiction over the case. After the court abstained, the plaintiff filed suit for the appointment of a receiver in state court, as discussed immediately below. The Commission cannot estimate a loss, if any, related to this case as of September 30, 2012.

Bank of New York Mellon as Trustee v. Jefferson County, et al, Case number CV-09-2318, was filed in the Circuit Court of Jefferson County, Alabama, Birmingham Division, on August 3, 2009. On September 22, 2010, the Plaintiff obtained the appointment of John S. Young, Jr., LLC as Receiver over the Commission's sewer system. A money judgment was also entered against the Commission in the amount of \$515,942,500, but the recourse for that money judgment is limited to the net revenues of the sewer system. Notwithstanding the nonrecourse nature of the sewer warrants and of the money judgment referenced above, the plaintiff and various sewer warrant holders or warrant insurers have filed proofs of claim in the Bankruptcy Case that assert or may assert recourse claims against the Commission's general fund including, without limitation, proofs of claim in unliquidated amounts filed by The Bank of New York Mellon as indenture trustee, FGIC, Syncora and AGM. The remaining claims in this lawsuit are for mandamus to the Commission and for an accounting of the sewer system revenues. Other than litigation pertaining to the Receiver's powers, there is no active litigation on the claims in this case.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

Several additional parties sought to intervene in this matter after the order appointing the Receiver was entered. The potential intervening parties included the Attorney General of the State of Alabama, the plaintiffs from the *Wilson* action (discussed above), a group of Alabama state legislators and another group that includes legislators, Birmingham city officials and citizens. The trial court granted the Attorney General's motion to intervene but denied the motions of the other potential interveners on July 25, 2011. Among the intervention requests that were denied was the request of the *Wilson* plaintiffs, who subsequently appealed the order denying their motion. That appeal was stayed by the commencement of the Bankruptcy Case.

After the commencement of the Bankruptcy Case, the plaintiff in the receivership action described herein, along with other parties, filed motions requesting that the Bankruptcy Court find that the automatic stays did not apply to this state court action or that the automatic stays should be modified to allow the litigation to proceed in state court. The Commission opposed such motions.

On November 21-22, 2011, the Bankruptcy Court held evidentiary hearings regarding these motions. On January 6, 2012, the Bankruptcy Court issued its opinion, holding that with one exception, the automatic stays in the Bankruptcy Case did prevent the state court litigation from proceeding and finding that cause did not exist for granting relief from such automatic stays to allow such state court litigation to continue. The one exception noted in the Bankruptcy Court's opinion related to postpetition net system revenues derived from the Commission's sanitary sewer system and the claims of the Commission's sewer warrant holders to such funds. The plaintiff and several other parties to this action appealed the Bankruptcy Court's decision, and the Commission, in turn, filed a cross-appeal. The United States Court of Appeals for the Eleventh Circuit granted the parties' petitions for permission to take direct appeals, and all such appeals and cross-appeals have been consolidated under the Court of Appeals' Case Number 12-13654. The parties have completed their briefing before the Eleventh Circuit on all appeals and cross-appeals. The Commission and other parties to these appeals and cross-appeals requested that the Court of Appeals postpone oral arguments and hold the appeals and cross-appeals in abeyance. The Court of Appeals granted such request and is holding the appeals and cross-appeals in abeyance until January 15, 2014. The Commission cannot estimate a loss, if any, related to this case as of September 30, 2012.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

Jefferson County, Alabama v. JPMorgan, et al, Case number CV-2009-903641.00, was filed on November 13, 2009, in the Circuit Court of Jefferson County, Alabama, Birmingham Division. The Commission brought suit against J.P. Morgan Securities, Inc.; JPMorgan Chase Bank National Association; Blount Parrish & Company; Charles LeCroy; Douglas MacFaddin; Larry Langford; William Blount; and Albert LaPierre asserting fraud, unjust enrichment and conspiracy claims. The claims are alleged to be based, at least in part, on events that took place before September 30, 2012. The Commission seeks damages in excess of a billion dollars, and the JPMorgan defendants have counterclaimed for indemnification. This lawsuit is currently stayed by consent of the parties pending the Commission's efforts to confirm the Plan of Adjustment and to cause such Plan of Adjustment to become effective. The outcome of this case is unknown.

Syncora Guaranty v. Jefferson County, Alabama, et al, Case number 601100/10, was filed on April 29, 2010, in the Supreme Court of New York, County of New York. This litigation was brought by Syncora, one of the insurers of Jefferson County's sewer warrants, against the Commission, JPMorgan Chase Bank, N.A. and J.P. Morgan Securities, Inc. (the two non-Commission defendants, collectively, JPMorgan). The claims are based, at least in part, on events that allegedly took place before September 30, 2009. Syncora alleges that the Commission committed fraud in two ways. First, it alleges that the Commission suppressed the existence of analyses of the Commission's sewer operations that would have shown Syncora that the system's expected revenues were insufficient to meet its debt service obligations. Second, Syncora alleges that the Commission and JPMorgan concealed the bribery scheme that existed between certain former Commissioners and JPMorgan.

Syncora claims damages in excess of \$400,000,000, and the Commission disputes such claims. Unlike the *Bank of New York Mellon* litigation where the plaintiff's recovery was limited to the net revenues of the sewer system, it is possible that Syncora could seek to collect any damages it is awarded from the Commission's General Fund. The Commission counterclaimed against Syncora, claiming that Syncora defrauded the Commission by concealing the weakness of Syncora's investment portfolio. Syncora moved to dismiss the Commission's counterclaims, and the Court granted that motion. Moreover, JPMorgan has cross-claimed against the Commission for indemnification, alleging that certain documents executed in connection with the Commission's sewer financing require the Commission to reimburse any of JPMorgan's liability to Syncora. The Commission moved to dismiss JPMorgan's cross-claim, but that motion was denied at a hearing on August 16, 2011. This case is currently stayed as a result of the Commission's commencement of its Chapter 9 Bankruptcy Case. The Commission cannot estimate a loss, if any, related to this case as of September 30, 2012.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

Assured Guaranty Municipal (AGM) Corp v. JPMorgan, Supreme Court of the State of New York, County of New York, Case number 650642/10, was filed June 16, 2010. AGM brought claims against J.P. Morgan Securities, Inc. and JPMorgan Chase Bank, N.A. (collectively, JPMorgan) for fraud arising out of JPMorgan's involvement in the financing of improvements to the Commission's sewer system. On February 10, 2011, JPMorgan filed a third-party complaint against the Commission, alleging that certain documents executed in connection with the Commission's sewer financing require the Commission to reimburse any of JPMorgan's liability to AGM arising out of this suit.

The Commission moved to dismiss JPMorgan's third-party complaint, but that motion was denied at a hearing on August 16, 2011. The third-party complaint asserted by JPMorgan against the Commission currently is stayed as a result of the Commission's commencement of the Bankruptcy Case. AGM has filed a motion for relief from the automatic stays in the Bankruptcy Case seeking permission to proceed with its claims against JPMorgan, but the Bankruptcy Court denied the motion. The Commission cannot estimate a loss, if any, related to this case as of September 30, 2012.

CSX Transportation v. Jefferson County, Case number CV-10-1490, and *BNSF v. Jefferson County*, Case number 10-903065, were filed in the Circuit Court of Jefferson County, Alabama, Birmingham Division. These cases seek a refund of Commission sales taxes that were paid on the retail sale of diesel fuel. These cases were stayed by operation of the Bankruptcy Case and by the trial court pending the outcome of a similar case filed against the State of Alabama which was argued to the Supreme Court of the United States. An opinion was recently issued in the similar case and was unfavorable to the State. There is, thus, a potential for an adverse outcome to the Commission requiring a refund of sales taxes in the combined cases in an amount in excess of \$3,500,000. Management has accrued an estimate of loss related to these cases as of September 30, 2012.

In the Matter of J.P. Morgan Securities, Inc., Respondent; Securities and Exchange Commission, Administrative Proceeding, File No. 3-13673: The Commission has received \$75,033,692 as the result of a settlement between J.P. Morgan Securities, Inc. (JPMSI) and the SEC that resolved cease and desist proceedings brought by the SEC against JPMSI under Section 8A of the Securities Act of 1933 and Sections 15(b) and 21C of the Securities Exchange Act of 1934.

Pursuant to an order dated November 4, 2009, JPMSI wired \$50,000,000 to the Commission. The Commission received such funds on November 10, 2009. As set forth in the order, this payment was "to and for the benefit of Jefferson County, Alabama." Its purpose was to assist displaced Commission employees, residents and sewer ratepayers. Further pursuant to the November 4, 2009, order, JPMSI paid a disgorgement of \$1.00 and a civil money penalty in the amount of \$25,000,000 to the SEC, which created a "Fair Fund" pursuant to Section 308(a) of the Sarbanes-Oxley Act of 2002. The civil money penalty was "treated as penalties paid to the government for all purposes, including tax purposes."

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

On August 18, 2010, the SEC issued a Notice of Proposed Plan of Distribution and Opportunity for Comment pursuant to Rule 1103 of the SEC's Rules on Fair Funds and Disgorgement, 17 C.F.R. Section 201.110. The Notice provided that the pool of potential recipients of the Fair Fund included the Commission and the individuals and entities that purchased securities in the bond offerings underwritten by JPMSI. The SEC determined that the Commission "suffered direct economic harm" as a result of JPMSI's actions, including the cost of improper payments, inflated swap payments and inflated interest rates.

In addition, the SEC found that the Commission "suffered additional harm to its reputation, credit rating and ability to refinance." The SEC further concluded that the purchasers of securities suffered no harm from JPMSI's activities. Accordingly, the SEC concluded the Commission was the eligible recipient of the Fair Fund.

The Notice also provided for a public comment period, but the SEC received no comments. Accordingly, on October 7, 2010, the SEC issued an order approving the payment of the Fair Fund to the Commission. On February 1, 2011, the SEC entered an order directing disbursement of the Fair Fund and providing that validated electronic payment had been received and accepted by the Commission in the amount of \$25,033,692.

Both The Bank of New York Mellon as Trustee for the Commission's Sewer Warrants and the Receiver appointed by the Jefferson County Circuit Court for the Commission's sewer system gave notice to the Commission of a claim to the proceeds of the \$50,000,000 payment to the Commission by JPMSI under Alabama Code § 6-5-20. The earlier of these presentments was made on November 4, 2010. The claims are alleged to be based, at least in part, on events that took place before September 30, 2012.

By letter dated June 20, 2011, the Receiver demanded \$50,000,000 of the funds received by the Commission from JPMSI. The Receiver noted that the purpose of the payment was to assist displaced Commission employees, residents and sewer ratepayers. The Receiver claimed responsibility for protecting sewer system ratepayers and demanded the \$50,000,000 for the purpose of "using it to fund the Receiver's low-income assistance program for multiple years" and expressed a willingness "to discuss the possibility of a payment plan that fully funds the low-income assistance program." Also on June 20, 2011, the Receiver presented a claim for the Fair Fund proceeds in the amount of \$25,033,692.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION – Continued

Following the filing of the Commission's Bankruptcy Case, the trustee for the Commission's sewer warrants filed a proof of claim in the Bankruptcy Case "in an amount not less than \$85,562,828.31," which is predicated on the theory that the Commission was obligated to turn the SEC compensation funds over to the trustee and that the Commission's failure to do so breached purported duties owed by the Commission and created purported general obligations of the Commission payable from the Commission's general fund. Because the SEC orders make clear that all funds were paid to and for the benefit of the Commission, and in compensation of harm suffered by the Commission, the Commission has disputed such claims.

The outcome of this matter is unknown; therefore, the Commission cannot estimate a loss, if any, related to the claim by The Bank of New York Mellon or by the Receiver as of September 30, 2012.

Claim under Financial Guaranty Agreement with Syncora. Prior to the Commission's filing for Chapter 9 bankruptcy, Syncora gave notice of claim to the Commission under Alabama Code § 6-5-20 that it may seek reimbursement of \$32,722,119 paid by Syncora on the Commission's behalf under a debt service reserve fund policy from September 2008 to December 2008. The notice of claim was filed on September 10, 2010. The claim is based, at least in part, on events that allegedly took place before September 30, 2012. This claim arises under a financial guaranty agreement between the Commission and Syncora. The amount of the claim may change with time because Syncora claims that it is entitled to receive from the Commission the costs it incurs in attempting to collect any amount owed under the financial guaranty agreement.

After the commencement of the Bankruptcy Case, Syncora filed proofs of claim in the Bankruptcy Case in which it asserted, among other claims, the reimbursement claim made in its September 10, 2010, notice of claim. There is currently no active litigation on this matter. The likely outcome of this matter is unknown.

Claim of Assured Guaranty Municipal Corp. On December 10, 2010, AGM Corp. made demand for reimbursement in the amount of \$4,390,146 for draws made on insurance policies relating to the Commission's sewer warrants. The total amount of the claim as of December 10, 2010, was \$5,032,109. After the commencement of the Bankruptcy Case, AGM filed a proof of claim in which it asserted, among other claims, its claim for reimbursements with respect to such debt service reserve insurance policy in the amount of \$4,390,337, plus accrued interest thereon in the additional amount of \$1,010,150.

Payments made on behalf of the Commission are accrued and reported as liabilities in these financial statements. The recourse for this payment is limited to sewer revenue. There is currently no active litigation on this matter.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

US Bank Notice of Default Regarding School Warrants. Prior to the commencement of the Commission's Bankruptcy Case, the Commission was unable to replenish the reserve fund for the LO Series 2004-A, 2005-A and 2005-B Warrants as quickly as required by the Trust Indenture as a result of the credit rating downgrade of the issuer of the surety bond (Ambac) held as a part of the reserve fund. On September 24, 2012, after the commencement of the Bankruptcy Case, the Commission fully replenished such reserve fund. After the commencement of the Bankruptcy Case, U.S. Bank filed one or more proofs of claim in the Bankruptcy Case in which it claimed, among other things, \$819,650,000 in outstanding principal owing upon such LO Series Warrants, \$10,203,964 in accrued and unpaid interest owing thereon and premium to the extent owing under the pertinent indenture. There is currently no active litigation on this matter.

Notice by Bayerische Landesbank and JPMorgan under Standby Warrant Purchase Agreements. The Commission received notice from Bayerische Landesbank on August 10, 2010, and JPMorgan Chase Bank, N.A. on October 25, 2010, that these entities were invoking their rights under their standby warrant purchase agreements relating to certain of the Commission's General Obligation Warrants.

These agreements do not change the principal amount of the pertinent general obligation warrants, but they do provide for acceleration of principal payments and provide for interest to accrue at higher rates to holders of warrants purchased pursuant to those standby agreements. Wells Fargo Bank, the successor indenture trustee with respect to the GO Warrants in question, has filed a proof of claim in the Bankruptcy Case with respect to such warrants in the amount of \$105,138,677. Both Bayerische Landesbank and JPMorgan Chase Bank, N.A. have also filed proofs of claims asserting claims with respect to the respective standby warrant purchase agreements. There is currently no active litigation on this matter.

Potential Obligations under Standby Warrant Purchase Agreements Relating to Sewer Warrants (also discussed in Note J). Sewer warrants were purchased by financial institutions under various standby warrant purchase agreements. The total principal amount of sewer warrants purchased under these standby warrant purchase agreements is approximately \$850,000,000. These agreements do not change the principal amount of the Commission's sewer warrants, but they do provide for acceleration of principal payments and provide for interest to accrue at higher rates to holders of warrants purchased pursuant to those agreements. The indenture trustee with respect to the sewer warrants has filed a proof of claim in the Bankruptcy Case in which it asserts a claim for all amounts due on account of the Commission's outstanding sewer warrants, which claim encompasses those sewer warrants purchased under such standby warrant purchase agreements. In addition, some, if not all, of the parties that purchased sewer warrants pursuant to such standby warrant purchase agreements (or their assignees) have filed their own proofs of claim in the Bankruptcy Case with respect to the sewer warrants they hold. There is currently no active litigation on this matter.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

Claim Against County Regarding Validity of Sewer Warrants. On June 1, 2011, James Hilgers sent a notice of claim to the Commission President that takes the position that the Commission's sewer debt is void and unenforceable because it does not comply with the requirements of Amendment 73 of the Constitution of Alabama. The Commission continues to evaluate the allegations of this claim in connection with its Bankruptcy Case, and there is currently no active litigation with respect to it. The likely outcome of this matter is unknown.

The Bank of New York Mellon, as Indenture Trustee, v. Jefferson County, Alabama. United States Bankruptcy Court for the Northern District of Alabama, Southern Division, Adversary Proceeding No. 12-00016: The indenture trustee for the Commission's sewer warrants commenced this action against the Commission in February 2012 in the Bankruptcy Court. The complaint seeks a declaratory judgment, among other things, that the Trustee is entitled to receive all "System Revenues" from the Commission's sanitary sewer system net only of those items defined as "Operating Expenses" in the pertinent trust indenture and that the Commission was barred from using such "System Revenues" for capital expenditures, payment of professional fees and expenses unrelated to the actual operation and administration of the sewer system, and depreciation and amortization. The Trustee's complaint was subsequently amended to add certain of the warrant holders and warrant insurers as plaintiffs. In addition, one of the warrant insurers, FGIC, filed a complaint in intervention against the Commission. The Bankruptcy Court severed three counts of the plaintiffs' complaint and the Commission's counterclaims into a separate adversary proceeding (see discussion below). The Bankruptcy Court then proceeded to consider the remaining counts of the plaintiffs' complaint based upon the parties' respective trial briefs, evidence and argument presented on April 11-12, 2012, and certain subsequent submissions.

On June 29, 2012, the Bankruptcy Court issued its memorandum opinion and summarized its ruling as follows:

Operating Expenses as determined under the Indenture do not include (1) a reserve for depreciation, amortization, or future expenditures, or (2) an estimate for professional fees and expenses. At the end of each monthly period, as is determined under the Indenture, the monies remaining in the Revenue Account following payment of the Operating Expenses that were (1) incurred in the then current month or any prior month and (2) due and payable in the then current month or a prior month are to be remitted in the priority and manner as set forth in Article XI of the Indenture without withholding of any monies for depreciation, amortization, reserves, or estimated expenditures that are the subject of this litigation. Additionally, 11 U.S.C. § 928(b) is inapplicable to the pledge of revenues under the Indenture and the distributive scheme in Article XI of the Indenture.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

One issue not addressed by the Bankruptcy Court's memorandum opinion (the Net Revenues Opinion) was the Commission's ability to recover actually incurred sewer-related professional fees and expenses from sewer system revenues as "Operating Expenses" under the sewer warrant indenture. The Bankruptcy Court subsequently entered an order (1) determining to decide by separate order the issue of actually-incurred professional fees and expenses based on the testimony from the evidentiary hearing and the post-hearing briefs submitted by the parties; (2) finding that there was "no just reason for delay ... in the entry of a final appealable judgment" in the adversary proceeding; and (3) entering partial final judgment in favor of the plaintiffs in the adversary proceeding.

The Commission appealed the Net Revenues Opinion, and the matter was certified to and accepted by the Eleventh Circuit as a direct appeal, pending as docket No. 13-10348-BB. On June 20, 2013, the Commission, FGIC, JPMorgan Chase Bank, N.A., Syncora, AGM, The Bank of New York Mellon, as liquidity bank, and State Street Bank and Trust Company moved to stay the appeal. On June 21, 2013, the Eleventh Circuit granted the parties' motion and stayed further proceedings (including the filing of the Commission's appellate reply brief) until January 15, 2014.

On June 12, 2013, the Commission filed a motion to stay all proceedings in the adversary proceeding, with certain limited exceptions concerning the issuance and appeal of the Court's ruling on the attorneys' fee issue. On June 28, 2013, the Bankruptcy Court entered an order granting the Commission's motion.

On June 27, 2013, the Bankruptcy Court issued its opinion on the legal fee issue (the "Fee Opinion"). In the Fee Opinion, the Bankruptcy Court clarified certain aspects of the Net Revenues Opinion in the process of analyzing the Commission's entitlement to deduct from System revenues sewer-related professional fees and expenses actually incurred in connection with the Bankruptcy Case. The Bankruptcy Court ultimately concluded "that for the Joint Submission categories [of professional fees] as either Operating Expenses under the Indenture or as 'necessary operating expenses' for § 928(b) subordination purposes, all of the Joint Submission categories of Professional Fees are permitted to be paid ahead of interest and principal to the [holders of the Sewer Warrants]." The Fee Opinion did not resolve certain objections that had been pursued by the indenture trustee, including that insufficient information had been provided about the amount and nature of the Commission's professional fees to allow for an evaluation of whether such fees were reasonable; instead, the Bankruptcy Court noted that "these contentions by the Trustee are not capable of resolution at this time and as part of this adversary proceeding," and accordingly dismissed such objections without prejudice (in the process observing that they "hopefully, need not be addressed by this Court on another day in another proceeding").

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

On July 11, 2013, the indenture trustee and other parties in interest filed with the Bankruptcy Court a consolidated notice of appeal of the Fee Opinion. In response, on July 12, 2013, the Clerk of the Bankruptcy Court entered a notice of deficient filing, stating that “[n]o order has been entered and the Notice of Appeal is premature.” On that same day, the Clerk of the Bankruptcy Court also made an entry on the docket that stated: “matters docketed in error as no order has been entered and the Notice of Appeal was premature. (RE: related document(s) [198] Service of Notice of Appeal by Court, [199] Notice to Parties Regarding Designations).” The parties have agreed not to take any further action on the potential appeal unless: (i) such action is consistent with the terms of the order staying the adversary proceeding and plan support agreements to which the Commission is a party, (ii) the party believes action is necessitated by further action by either the Bankruptcy Court or the district court (including the entry of an order with respect to the Fee Opinion) or (iii) the party believes action is necessary to preserve the appeal.

The Bankruptcy Court has stayed all proceedings in the Net Revenues Adversary Proceeding, with the aforementioned limited exceptions, until the earlier of (1) the “Effective Date” of the Plan of Adjustment, or the effective date of some other chapter 9 plan of adjustment that incorporates the provisions of and is otherwise materially consistent with the plan support agreements to which the Commission is a party and (2) the date of termination of any such plan support agreement. The likely outcome of this matter is unknown.

Bank of New York Mellon v. Jefferson County, Alabama. United States Bankruptcy Court for the Northern District of Alabama, Southern Division, Adversary Proceeding No. 12-00067-TBB (the “Severed Sewer Adversary Proceeding”): As referenced above, on April 25, 2012, the Bankruptcy Court entered an order severing three of the plaintiffs’ counts, as well as certain counterclaims filed by the Commission, from adversary proceeding number 12-00016 and into a separate adversary proceeding. That severed adversary proceeding remains pending before the Bankruptcy Court as adversary proceeding number 12-00067. The severed claims and the Commission’s counterclaims seek a determination about the parties’ respective rights, title and interest in three funds commonly referred to as the Released Escrow Funds, the 2005 Construction Fund and the Supplemental Transactions Fund. In its counterclaims, the Commission asserts that it owns each of these three funds free and clear of any lien, pledge or other property interest. The plaintiffs and the Commission have filed respective motions for summary judgment and accompanying briefs. The Bankruptcy Court has held a hearing on the summary judgment motions but has not ruled on such motions. At the Commission’s request, the Bankruptcy Court has stayed the Severed Sewer Adversary Proceeding pending the Commission’s efforts to confirm the Plan of Adjustment and to cause such Plan of Adjustment to become effective. The likely outcome of this matter is unknown.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

Bennett et al. v. Jefferson County, Alabama, et al. United States Bankruptcy Court for the Northern District of Alabama, Southern Division, Adversary Proceeding No. 12-00120: In the initial complaint, 15 sewer ratepayers sought injunctive and declaratory relief, in addition to damages, against the Commission and other defendants on behalf of several putative classes of customers of the Commission's sewer system. The Commission, named in the initial complaint only as a "nominal defendant," moved for a more definite statement of the claim and moved to strike the class allegations. Other defendants filed motions to dismiss detailing various shortcomings in the opening complaint. The plaintiffs voluntarily dismissed, with prejudice, six of the nine counts of their initial complaint. With respect to the remaining counts, the Bankruptcy Court entered orders granting the Commission's motion for a more definite statement and the Commission's motion to strike the class allegations, deeming moot the other defendants' various motions to dismiss, and giving plaintiffs time to file an amended complaint.

Plaintiffs filed their Second Amended Complaint for a Declaratory Judgment and Injunctive Relief (the Second Amended Complaint) on the Bankruptcy Court's deadline. This complaint named as defendants only the Commission and the indenture trustee for the sewer warrants. This complaint sought the entry of a declaratory judgment that certain series of the Commission's sewer warrants were invalid because they allegedly violated the pre-issuance requirements of the sewer warrant indenture and contravened the Alabama and United States Constitutions. Both the Commission and the indenture trustee responded to the Second Amended Complaint with motions to dismiss.

In its reply to the plaintiffs' brief, the Commission requested that the Bankruptcy Court stay the adversary proceeding pending confirmation of the Commission's Plan of Adjustment, on the grounds that confirmation likely will resolve or moot the adversary proceeding. Pursuant to the Plan of Adjustment, the Commission proposes to settle and compromise the claims and causes of action asserted in the adversary proceeding against the indenture trustee, which claims and causes of action the Commission believes belong to the Commission and not to the sewer ratepayers or may be otherwise resolved by the Commission notwithstanding the objection of plaintiffs in the adversary proceeding. The Bankruptcy Court granted the Commission's request to stay the action. The plaintiffs filed a motion for reconsideration of the Bankruptcy Court's order staying the adversary proceeding, which the Bankruptcy Court denied.

Roderick Royal, one of the plaintiffs in the adversary proceeding, filed two proofs of claim on behalf of the putative class of sewer ratepayers. The two proofs of claim, which appear to be duplicates, each assert claims in the amount of \$1,630,000,000 which claims appear to be for alleged overcharges in sewer rates. The Commission has filed an objection to these proofs of claim. The Bankruptcy Court has not held any hearing on or ruled upon the Commission's objection to these proofs of claim. The likely outcome of this matter is unknown.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

City of Birmingham, et al., v. Jefferson County Commission, et al. Circuit Court of Jefferson County, Alabama, Case number CV-2012-902529; and *City of Birmingham, et al., v. Jefferson County Commission, et al.*; United States Bankruptcy Court for the Northern District of Alabama, Southern Division, Adversary Proceeding No. 12-00133: In August 2012, the City of Birmingham and Mayor William A. Bell, Sr. (the Mayor) filed a complaint in state court against the Commission, seeking a declaratory judgment that the Commission should be barred from terminating inpatient and emergency room care at Cooper Green Mercy Hospital (Cooper Green).

In response, the Commission filed with the Bankruptcy Court an emergency motion requesting entry of an order compelling the City of Birmingham and the Mayor to comply with the automatic stays of Bankruptcy Code Sections 362(a) and 922(a). The Bankruptcy Court held a hearing on the Commission's motion on August 30, 2012. On September 11, 2012, the City and the Mayor filed a Notice of Dismissal of their state court lawsuit, without prejudice.

After dismissing their lawsuit in state court, the City and the Mayor then filed a motion with the Bankruptcy Court requesting relief from the automatic stays to file another complaint in state court challenging the Commission's decision to stop providing inpatient care and to close the emergency room at Cooper Green. The City and the Mayor also filed a complaint with the Bankruptcy Court, naming the Commission and three County Commissioners as defendants in the complaint, thereby commencing adversary proceeding number 12-00133. The factual allegations and requested relief in the second complaint were almost identical to those in the original complaint filed in state court. On October 15, 2012, the Commission filed a motion to dismiss with regard to the City's and the Mayor's complaint in the Bankruptcy Court. The Bankruptcy Court has not ruled on the Commission's motion to dismiss.

On October 17, 2012, the Bankruptcy Court held a hearing on the City's and the Mayor's motion for relief from stay to file a complaint in state court. The Bankruptcy Court denied the stay relief motion, holding that state law did not require that the Commission maintain inpatient or emergency services at Cooper Green. The Bankruptcy Court issued its memorandum opinion on December 19, 2012, regarding its denial of the stay relief motion. The time for filing a notice of appeal from the Bankruptcy Court's December 19, 2012, ruling has expired.

Moore Oil Co., Inc. v. Jennifer Champion, as Treasurer of the County. U.S. Bankruptcy Court for the Northern District of Alabama, Southern Division, Adversary Proceeding No. 12-00060: In April 2012, Moore Oil Co., Inc. (Moore Oil) filed a complaint in the Bankruptcy Court against Jennifer Champion, as Treasurer of the Commission, in which it alleged that the Treasurer breached a constructive trust by failing to remit to Moore Oil excess bid proceeds from a tax sale and thereby caused damages to Moore Oil. The Commission moved to dismiss the Moore Oil Adversary Proceeding on the basis that the claims asserted therein were prepetition causes of action that should be handled through the bankruptcy claims administration procedures, not as a separate adversary proceeding. The Bankruptcy Court agreed and dismissed the adversary proceeding.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

Moore Oil subsequently filed a proof of claim in the Bankruptcy Case in the amount of \$178,916 in which it asserts the claims that it previously asserted in the adversary proceeding. The likely outcome of this matter is unknown.

Lehman Brothers Special Financing Inc. v. The Bank of New York Mellon, as indenture trustee, et al. United States Bankruptcy Court for the Northern District of Alabama, Southern Division, Adversary Proceeding No. 12-00149: In October 2012, Lehman Brothers Special Financing Inc. filed an adversary proceeding in the Bankruptcy Court against the indenture trustee for the Commission's sewer warrants and the Commission seeking a declaration that certain claims asserted by Lehman Brothers on account of certain swap agreements relating to the sewer warrants to which it was a party were entitled to parity treatment with other nonrecourse sewer warrant obligations. Lehman Brothers, the indenture trustee, and the Commission entered into a joint stipulation providing that the Commission shall not be required to answer or further respond to the complaint but shall be bound by any ruling in the adversary proceeding on the issue of whether the indenture trustee is required to treat "the periodic payment component of the Lehman debt," as described in the Lehman Brothers complaint, in parity with debt service on the sewer warrants. The Commission otherwise reserved all rights, claims and defenses including, without limitation, with respect to the allowance or treatment, in a plan or otherwise, of all claims of Lehman Brothers against the Commission. This lawsuit is currently stayed by consent of the parties pending the Commission's efforts to confirm the Plan of Adjustment and to cause such Plan of Adjustment to become effective. The indenture trustee has filed its answer to the complaint. The likely outcome of this matter is unknown.

Ahmed Farah v. Jefferson County Commission, et al. United States Bankruptcy Court for the Northern District of Alabama, Southern Division, Adversary Proceeding No. 13-00002: In January 2013, Dr. Farah filed suit against the Commission and the Commission's chief executive officer claiming money damages in the amount of \$276,000 for alleged breach of contract, unjust enrichment and declaratory judgment. The case was settled, and the Bankruptcy Court has entered an order dismissing this adversary proceeding with prejudice. The matter is concluded. The settlement was accrued in the accompanying financial statements at September 30, 2012.

Claims Relating to County's Lease Agreement with the Public Building Authority. Pursuant to a Lease Agreement dated as of August 1, 2006 (the Lease Agreement), the Commission leased from the Building Authority a courthouse and jail facility in Bessemer, Alabama (the Facilities). The Lease Agreement was renewable for successive one-year terms continuing to and including September 30, 2026. Payments under the Lease Agreement are used to pay debt service on certain warrants issued by the Building Authority in the principal amount of \$86,745,000 pursuant to a trust indenture dated as of August 1, 2006. In the Bankruptcy Case, the Commission filed a motion to reject the Lease Agreement pursuant to Section 365 of the Bankruptcy Code. Both the indenture trustee regarding the Building Authority's lease warrants and the insurer of such warrants opposed the Commission's rejection of the Lease Agreement.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

The indenture trustee filed a proof of claim in the Bankruptcy Case alleging that the Commission was liable in an amount not less than \$86,475,000 on account of the Building Authority's lease warrant indebtedness, and the insurer of the lease warrants filed a proof of claim asserting a claim for all reimbursements owed or to be owed it for amounts drawn on its insurance policy, plus interest. After substantial negotiations, the Commission reached a settlement agreement with the Building Authority, the indenture trustee and the lease warrant insurer, pursuant to which the parties agreed to the Commission's rejection and termination of the existing Lease Agreement, with the parties to enter into a new lease agreement for the courthouse and jail facility on modified terms (the New Lease). The settlement allows for the filing of a proof of claim in the Bankruptcy Case for the "Rejection Claim" arising out of the Commission's agreed upon rejection of the Lease Agreement. In accordance with the provisions of the Bankruptcy Code, such "Rejection Claim" should be treated in the Bankruptcy Case as if it arose prior to the commencement of the Bankruptcy Case. By order dated December 20, 2012, the Bankruptcy Court approved this settlement. The "Effective Date" of the settlement occurred on January 9, 2013, and the Commission's rights and obligations with respect to the Facilities are now governed by the New Lease.

United States v. Jefferson County, et al., United States District Court for the Northern District of Alabama, Southern Division, Case Number 2:75-CV-00666-CLS: Various private Plaintiffs and the United States filed suit against the Jefferson County Personnel Board, Jefferson County and other Defendants to remedy alleged wrongs in the hiring and promotion of African-American and female applicants and employees. After considerable negotiations, litigation and appeals, the Commission entered into a Consent Decree on December 29, 1982. This Decree, along with other Consent Decrees executed by other parties, remained the subject of further litigation and negotiations including, in 2002, the federal district court appointing a Receiver for the Jefferson County Personnel Board. The active portion of the litigation began on October 3, 2007, when two groups of Plaintiffs filed a motion to hold the Commission in contempt of court for failing to comply with the Consent Decree's requirements to ensure equal employment for blacks and women and to remedy the effects of prior discrimination. The United States did not join in the motion to hold the Commission in contempt. The Plaintiffs also alleged that the Commission had failed to comply with Consent Decree requirements regarding hiring specific compliance officers and record keeping. The Plaintiffs also sought to modify the Consent Decree to mandate particular practices that the Plaintiffs would like to see implemented. A hearing was held in December, 2012 and the Commission vigorously defended the case.

The United States District Court, on August 20, 2013, entered its decision and order finding the Commission in contempt of court and informing the parties that a Receiver will be appointed over the Human Resources Department. The Court held a status conference on September 26, 2013, and directed the parties to submit proposed orders for appointing a Receiver. The Commission expects the Court to enter a Receiver Order forthwith.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

The County will be required to undertake certain (currently unknown) actions with regard to its hiring and promotion processes. Such changes are expected to be financially burdensome. Currently, we have unanswered questions about potential monetary claims and it is impossible to predict the likely outcome of this issue at this time. Management has accrued an estimate of loss related to these cases as of September 30, 2012.

Claims for Tax Remittances Made by Certain Municipalities. In the Bankruptcy Case, certain municipalities located within Jefferson County have filed proofs of claim, asserting claims against the Commission for the remittance of certain tax collections.

Two of these municipalities' proofs of claim are significant: (a) the proof of claim filed by the City of Birmingham in the amount of \$10,999,743 for the remittance of road taxes and business privilege taxes and (b) the proofs of claim filed by the City of Bessemer, in the amount of \$2,962,250, for the remittance of certain taxes and other alleged damages. The likely outcome of this matter is unknown.

Pending Sewer-Rate-Related Stay Relief Litigation. A series of motions for relief from stay has been filed by FGIC (motion filed on March 28, 2012), the indenture trustee for the Commission's sewer warrants (motion filed on November 5, 2012) and a group of sewer warrant holders (the Ad Hoc Group) (motion filed on November 10, 2012) in the Bankruptcy Court seeking relief from the automatic stays to allow the indenture trustee to enforce contractual remedies relating to sewer rates. AGM has filed a joinder to the indenture trustee's motion. These stay relief motions generally allege that the Commission has failed to adequately protect the interests of the sewer warrant holders and that other "cause" exists to lift the automatic stays. The motions do not seek damages from the Commission. An evidentiary hearing on the motions was held during the first half of 2013. The Bankruptcy Court has not ruled on the motions.

The Commission has filed a motion to stay all proceedings on these motions, and the Bankruptcy Court has granted such request, staying all proceedings on these matters until the earlier of (1) the "Effective Date" of the Plan of Adjustment, or the effective date of some other chapter 9 plan of adjustment that incorporates the provisions of and is otherwise materially consistent with the plan support agreements to which the Commission is a party, and (2) the date of termination of any such plan support agreement. The likely outcome of this matter is unknown.

Internal Revenue Service Examinations. The Commission has received and responded to (i) Examination Letters dated May 2, 2011, from the Internal Revenue Service with respect to the Commission's Sewer Revenue Refunding Warrants, Series 2003-B and 2003-C and (ii) an Examination Letter dated June 28, 2012, received from the Internal Revenue Service with respect to The Jefferson County Public Building Authority's Lease Revenue Warrants, Series 2006.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

With respect to the May 2, 2011, letter, by agreement of the Commission and the IRS, the examination was later expanded to cover all of the Commission's outstanding sewer warrants. The Commission negotiated a consensual settlement with the IRS documented in a Closing Agreement (the Closing Agreement) to resolve various potential violations of Section 103 of Title 26 of the United States Code with respect to the sewer warrants. The Closing Agreement has been approved by the Commission and executed and delivered to the IRS by the Commission.

The Closing Agreement required payment by the Commission of \$4,500,000 prior to execution and delivery of the Closing Agreement by the IRS. Such payment was made by the Commission from revenues of the sewer system on August 27, 2013. The settlement was accrued in the accompanying financial statements at September 30, 2012.

With respect to the June 28, 2012, letter, the IRS notified the Commission in a letter dated July 23, 2013, that the examination was closed with no change in the position that interest received by the holders of the Series 2006 Lease Revenue Warrants is excludable from gross income under the Internal Revenue Code.

Claims Relating to Layoffs at Cooper Green. On or about December 19, 2012, letters were sent to approximately 210 employees of Cooper Green, advising them that they were being placed on administrative leave without pay. On December 27, 2012, the Commission received a letter from Birmingham, Alabama attorney Emory Anthony (the Anthony Letter) in which he asserted, among other things, that the Commission used the incorrect Personnel Board rule to lay off these 210 employees and that the Commission failed to follow appropriate procedures in laying off these employees. The Commission has advised the Personnel Board of the Anthony Letter. The likely outcome of this matter is unknown.

Claims Relating to Landfill Operation. The Commission owns a landfill which it leases to Santek, a private operator. Prior to the commencement of the Bankruptcy Case, the Commission, as a municipality, was excepted from the general requirement that it post a bond or other financial security with the Alabama Department of Environmental Management (ADEM) as a condition to the operation of such landfill. ADEM has advised the Commission that ADEM does not believe that the Commission is currently entitled to benefit from such exception and, accordingly, has requested that a bond or other financial security be posted with ADEM. In February 2013, the Commission established a joint trust fund with Santek.

The Commission is currently defending various other lawsuits. In addition, claims against the Commission have been filed that have not yet resulted in lawsuits. The Commission shall continue to consult with legal counsel regarding these lawsuits and claims and defend against them. As of September 30, 2012, the Commission has accrued any estimated litigation costs in the accompanying statement of net assets.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE S - CONTINGENT LIABILITIES AND LITIGATION - Continued

Additionally, a process was established in the Bankruptcy Case pursuant to which any party asserting a claim against the Commission arising before the commencement of the Bankruptcy Case could file a "proof of claim" against the Commission. To date, over one thousand proofs of claim have been filed in the Bankruptcy Case. The Commission has not yet completed its review of all of the proofs of claim that have been filed. The Commission is likely to object eventually to many of these proofs of claim on various grounds.

The Commission has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to grantor agencies for expenditures disallowed under the terms of grants. Management believes such disallowances, if any, will be immaterial.

NOTE T - SIGNIFICANT NEW ACCOUNTING PRONOUNCEMENTS

In December 2009, the GASB issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, effective for the Commission as of September 30, 2010. This statement provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. Until a Plan of Adjustment is approved by the court, the Commission does not believe any changes to the financial statements are required. The adoption of this statement did not have a material impact on the Commission's financial statements.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*, which is effective for the Commission beginning with the fiscal year ending September 30, 2013. This statement improves financial reporting for governmental organizations to better meet user needs and address current reporting entity issues. This statement modifies certain requirements for inclusion of component units in the financial reporting entity and also amends the criteria for reporting component units as if they were part of the primary government in certain circumstances. The effect of the application of this statement on the Commission has not been determined.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which is effective for the Commission beginning with the fiscal year ending September 30, 2013. The objective of this statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in Financial Accounting Standards Board (FASB), Accounting Principles Board (APB) and American Institute of Certified Public Accountants (AICPA) pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements. The effect of the implementation of this statement on the Commission has not been determined.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE T - SIGNIFICANT NEW ACCOUNTING PRONOUNCEMENTS - Continued

In July 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which is effective for the Commission beginning with the fiscal year ending September 30, 2013. GASB Statement No. 63 provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. This statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. The effect of the implementation of this statement on the Commission has not been determined.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which is effective for the Commission beginning with the fiscal year ending September 30, 2014. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The effect of the implementation of this statement is not expected to have a material impact on the Commission's financial statements.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections - 2012*, which is effective for the Commission beginning with the fiscal year ending September 30, 2014. This statement was issued to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The effect of the implementation of this statement on the Commission's financial statements has not been determined.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE T - SIGNIFICANT NEW ACCOUNTING PRONOUNCEMENTS - Continued

In June 2012, the GASB issued Statements No. 67, *Financial Reporting for Pension Plans*, and No. 68, *Accounting and Financial Reporting for Pensions*, which are effective for the Commission beginning with the fiscal year ending September 30, 2015. These statements were issued to improve financial reporting by state and local governmental pension plans. GASB Statement No. 67 replaces the requirements of GASB Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*. GASB Statement No. 68 replaces the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The effect of the implementation of these statements on the Commission's financial statements has not been determined.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, which is effective for the Commission beginning with the fiscal year ending September 30, 2015. This statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term *government combinations* includes a variety of transactions referred to as mergers, acquisitions and transfers of operations. A disposal of a government's operations results in the removal of specific activities of a government. This statement provides guidance for disposals of government operations that have been transferred or sold. This statement also requires additional disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The effect of the implementation of this statement on the Commission's financial statements has not been determined.

In April 2013, the GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which is effective for the Commission beginning with the fiscal year ending September 30, 2015. The objective of this statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units. This statement specifies the information required to be disclosed by governments that extend nonexchange financial guarantees. The effect of the implementation of this statement on the Commission's financial statements has not been determined.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE U - UNCERTAINTIES

In the first quarter of calendar 2008, rating agencies downgraded the credit ratings of certain bond insurers that insure portions of the Commission's variable rate and auction rate indebtedness related to the Jefferson County Commission Sewer System (the System). The ratings downgrades of these bond insurers caused the remarketing mechanisms for the System's variable and auction rate debts to fail, resulting in higher interest rates and, in the case of all outstanding variable rate warrants, accelerated amortization of principal on warrants held by the liquidity banks. Prior to these events, the System's cash flows generally were sufficient to meet operating expenses and to service the regularly-scheduled debt on the System.

As a result of these events, debt service on the System debt, taking into account the accelerated payments due to the liquidity banks, has exceeded the net revenues of the System. As of September 30, 2012, the Commission continued to operate the System, collect revenues and plan and carry out needed maintenance and capital improvements.

The System's debt is payable only from the net revenues of the System. The System's debt is nonrecourse to the Commission and is not payable from the Commission's General Fund or any non-System revenues. Nevertheless, the Commission's Finance Committee proposed in 2008 for the Commission to address the System's financial difficulties by filing a petition under Chapter 9 of Title 11 of the United States Code (the Bankruptcy Code); such motion was defeated by vote of the full Commission in October 2008.

The bond insurers have paid a portion of the System's debt service pursuant to policies issued in connection with the System's debt, and such policies provide for the System's reimbursement of the payments made by the bond insurers. Because the System's debt is secured by a pledge of only the net revenues of the System, the Commission is allowed by the governing documents, consistent with applicable law, to pay all operating expenses prior to the payment of debt service. Because of the nonrecourse nature of the System debt, holders of the System debt have no claim against the Commission's General Fund or non-System revenues.

Beginning in fiscal 2009, the Commission engaged in negotiations with various holders of sewer warrants to refinance or restructure the System debt without recourse to a Chapter 9 filing. During 2009 and through September 2010, the Commission continued discussions with various holders of System debt but was unable to reach resolution. On September 22, 2010, the Trustee of the Sewer warrants obtained appointment of a Receiver over the System. See Note S for a discussion of the related litigation. The Receiver had authority with respect to factors that may affect a refinancing or restructure of the System debt, such as System operations and revenues.

Subsequent to the appointment of the Receiver, certain holders of System debt expressed a desire to delay substantive negotiations until they could assess the effect of the receivership on net System revenues. On June 27, 2011, the Receiver and the State Finance Director entered into a 30-day standstill agreement to facilitate negotiations with various holders of the System debt, which was subsequently extended to August 4, 2011, and again to August 12, 2011.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE U - UNCERTAINTIES - Continued

On August 12, 2011, the Receiver and the Finance Director agreed to a further extension of the standstill agreement until September 16, 2011. Pursuant to their agreement, so long as the Commission did not file a petition under Chapter 9, among other things, the Receiver agreed to delay a planned System rate increase for the same period and to give the Commission 10 days' notice of his intent to terminate the forbearance period. On September 16, 2011, the Commission approved a nonbinding term sheet for the restructuring of the System debt. The term sheet was countersigned by the Receiver, who presented himself to the Commission as an intermediary for holders of the vast majority of the System's debt. After more than seven weeks of negotiation, the Commission was unable to obtain the agreement of the majority-holders of the System's debt to enter into a definitive restructuring agreement implementing the economic concessions contemplated in the term sheet.

Meanwhile, the Receiver pushed forward with his efforts to raise sewer rates on System customers and with his demands for \$75 million received by the Commission's general funds from JP Morgan Securities pursuant to a settlement with the Securities Exchange Commission (see Note S).

On November 9, 2011, the Commission approved a resolution authorizing the filing of a petition in the name of Jefferson County for relief under Chapter 9 of the Bankruptcy Code. Such petition for relief was filed on November 9, 2011, in the U.S. Bankruptcy Court for the Northern District of Alabama, Southern Division (the Bankruptcy Court) and is styled *In re: Jefferson County, Alabama*, Case number 11-05736-9 (the Bankruptcy Case). Upon the commencement of the Bankruptcy Case, the automatic stay provisions imposed by the Bankruptcy Code discontinued the Receiver's authority over the System and restored control of the System to the Commission. The Trustee for the sewer warrants, along with other parties, has filed motions in the Bankruptcy Case requesting relief from the automatic stay. See Note S for a discussion of the Bankruptcy Case and related litigation. The Commission is currently negotiating with certain creditors to restructure the System's nonrecourse obligations through a Chapter 9 plan of adjustment. As a result of these negotiations, the Commission has filed with the Bankruptcy Court its Plan of Adjustment. See Note W for further discussion.

The effectiveness of the Plan of Adjustment is subject to several conditions, including its confirmation and approval by the Bankruptcy Court. The Bankruptcy Court has scheduled a hearing to begin on November 12, 2013, at which time the Bankruptcy Court is expected to hear and consider whether to confirm the Plan of Adjustment in accordance with the provisions of Chapter 9 of the Bankruptcy Code. It is possible that the Plan of Adjustment may not be confirmed or, if confirmed, that other conditions to the Plan of Adjustment's effectiveness may not be satisfied. It is also possible that the Plan of Adjustment may be amended, revised or withdrawn by the Commission prior to the November 12, 2013, confirmation hearing. The final content of the Plan of adjustment and the outcome of the confirmation hearing cannot be assured at this time.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE U - UNCERTAINTIES - Continued

There are also uncertainties relating to the Commission's general fund. On December 1, 2010, the Circuit Court of Jefferson County ruled that Act 2009-811 of the Alabama Legislature, pursuant to which the Commission had levied an occupational and business license tax, was unconstitutional. Prior to the commencement of the Bankruptcy Case, the Supreme Court of Alabama affirmed the ruling that the statute was unconstitutional but did not decide the question whether the Commission would be required to refund the taxes collected prior to December 1, 2010. On November 16, 2012, the Supreme Court of Alabama ruled that the Commission was not required to refund taxes collected prior to December 1, 2010. The Bankruptcy Court subsequently modified the automatic stay under Chapter 9 of the Bankruptcy Code to allow the plaintiffs in the case to file a petition for writ of certiorari to the Supreme Court of the United States. No writ of certiorari was filed. See Note S for a discussion of the related litigation.

The loss of the occupational and business license tax eliminated over \$75 million of annual revenues used to fund the Commission's general operations and payment of long-term general obligations. The Commission lacks "home rule" to allow it to reauthorize these lost tax revenues. Legislative efforts to restore or replace the occupational and business license tax revenues have not been successful to date. Accordingly, the Commission has implemented cuts in staffing and services. The Commission's general fund problem was another factor precipitating the Commission's decision to file for Chapter 9 relief. The loss of this tax revenue could have a material effect on future operations. While the Legislature may take action in the future to enhance the Commission's general fund revenues, the outcome of any legislative efforts cannot be assured at this time.

The Commission depends on financial resources flowing from, or associated with, both the Federal Government and the State of Alabama. Because of this dependency, the Commission is subject to changes in specific flows of intergovernmental revenues based on modifications to Federal and State laws and Federal and State appropriations. It is also subject to changes in investment earnings and asset values associated with U.S. Treasury Securities because of actions by foreign government and other holders of publicly held U.S. Treasury Securities.

NOTE V - SUBSEQUENT EVENTS

During 2011, the Commission authorized the sale of its nursing home facility and licensed beds. Subsequent to September 30, 2012, the Commission executed the sale of 238 licensed beds to an unrelated Alabama entity for \$8,300,000 and the sale of its real property to an unrelated entity for \$2,950,000. The net book value of its nursing home capital assets is \$2,563,000 at September 30, 2012. An impairment loss of \$4,661,000 was recognized in 2011 due to the decline in service utility of the nursing home capital assets.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V - SUBSEQUENT EVENTS - Continued

On August 28, 2012, the Commission voted to close the inpatient care unit at Cooper Green Mercy Hospital. The Commission continues to work through the details to provide cost-effective health care to the indigent residents of Jefferson County. The Commission is currently evaluating the potential impairment of the hospital's capital assets, which have a net book value of \$36,050,000 at September 30, 2012.

BUSINESS-TYPE ACTIVITIES (amounts in thousands)

Material Event Notices

January 25, 2013 - The January 25, 2013, Material Event Notice disclosed a ratings downgrade related to the Series 2003-B and 2003-C Warrants insured by AGM. On January 17, 2013, the long-term insured rating assigned to the Warrants was reduced from "Aa3" to "A2" by Moody's in conjunction with the corresponding reduction in such rating agency's financial strength and financial enhancement rating of Ambac. The current reduced rating of the Warrants is classified as "Stable" by Moody's. In addition, the current "AA-" long-term insured rating assigned to the Warrants by S&P is listed as "Stable."

February 1, 2013 - The February 1, 2013, Material Event Notice disclosed that a payment default had occurred on certain Sewer Capital Improvement and Refunding Warrants (Series 1997-A, Series 2001-A, Series 2002-A, Series 2002-C and Series 2003-B Warrants). Debt service payments on certain of the Warrants were due on February 1, 2013. The Trustee disseminated a Notice to Holders dated February 1, 2013 (the Trustee Notice). Pursuant to an order of the Bankruptcy Court filed on July 2, 2012, the Commission had been remitting the net revenues of the Commission's Sewer System to the Trustee in the manner provided by Article XI of the Trust Indenture.

The Trustee Notice states that the Trustee has decided to hold such net revenues remitted by the Commission and suspend payment of debt service on the Warrants, as well as any draws on insurance policies securing the Warrants, until further notice. In addition, the Trustee Notice describes the Trustee's intent to (i) file a complaint for declaratory judgment with the Bankruptcy Court to address disputes regarding interpretation of the Trust Indentures and (ii) file with the Bankruptcy Court a motion for relief from automatic stay in the Chapter 9 Proceeding to permit the Trustee in its discretion to accelerate certain of the Warrants effective as of February 1, 2013.

February 11, 2013 - The February 11, 2013, Material Event Notice disclosed a ratings downgrade related to the Series 1997-A, 2001-A, 2002-A, 2002-C, 2003-B-8, 2003-B-1A through B-1-E and 2003-C Warrants. On February 8, 2013, the underlying rating assigned to the Warrants by S&P was reduced from "C" to "D."

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V - SUBSEQUENT EVENTS - Continued

February 15, 2013 - The February 15, 2013, Material Event Notice disclosed a ratings downgrade related to the Series 1997-A, 2001-A, 2002-A, 2002-C, 2003-B and 2003-C Warrants. On February 13, 2013, the underlying rating assigned to the Warrants by Moody's was reduced from "Caa3" to "Ca." The current underlying rating of the Warrants is classified as "Outlook Negative" by Moody's.

June 4, 2013 - The June 4, 2013, Material Event Notice disclosed that the Commission adopted a Resolution on June 4, 2013, which includes approval of three separate Plan Support Agreements by and among the Commission and certain holders of the Warrants (JP Morgan Chase Bank, et al; various supporting warrant holders, including equity funds, limited partnerships, etc., and the bond insurers (AGM, FGIC and Syncora), and approved a proposed plan of finance for refinancing the Warrants as provided in the Plan Support Agreements. The Plan Support Agreements (PSAs) discuss the restructuring transactions by and between the Commission and the parties to the PSA agreement and require the Commission to file and exercise all reasonable efforts to expeditiously consummate a Chapter 9 plan of adjustment that incorporates the provisions of each PSA and its corresponding Plan Term Sheet (Acceptable Plan). The PSAs also require the supporting warrant holders to use all reasonable efforts to support confirmation of an Acceptable Plan, subject to the Bankruptcy Code; confirms the intention to purchase a portion of the offering of New Sewer Warrants subject to certain terms on a pro rata basis; and calls for a litigation standstill amongst the parties to the PSAs until the effective date of an Acceptable Plan.

June 27, 2013 - The June 27, 2013, Material Event Notice disclosed that the Commission adopted a Resolution on June 27, 2013, which includes approval of two separate Plan Support Agreements by and among the Commission and certain holders of the sewer warrants (Bank of Nova Scotia, The Bank of New York Mellon, State Street Bank and Trust Company and collectively, the Liquidity Banks) and (National, together with and as reinsurer of and administrator for MBIA - see Governmental Activities Section below for further disclosure).

The PSAs discuss the restructuring transactions by and between the Commission and the parties to the PSA agreements and require the Commission to file and exercise all reasonable efforts to expeditiously consummate a Chapter 9 plan of adjustment that incorporates the provisions of each PSA and the Plan Term Sheet (Acceptable Plan). An Acceptable Plan means either the Current Plan or any other Chapter 9 plan of adjustment that otherwise complies with the terms of the PSA and provides a treatment that is at a minimum economically equivalent in all respects to the treatment specified in the Current Plan on account of the Liquidity Banks for full settlement and release of all Liquidity Bank Claims and payment in the aggregate amount equal to the sum of (1) 80 percent of the Adjusted Sewer Warrant Principal Amount of the Liquidity Banks' Bank Warrants; (2) all nondefault rate interest accrued and unpaid on the amount in (1); and (3) and aggregate Bank Warrant Default Interest Settlement Payment of \$2,764 in exchange for a release and waiver of Bank Warrant Default Interest claims asserted in an aggregate amount in excess of \$20 million.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V - SUBSEQUENT EVENTS - Continued

The PSAs also require the supporting warrant holders to use all reasonable efforts to support confirmation of an Acceptable Plan, subject to the Bankruptcy Code, and call for a litigation standstill amongst the parties to the PSAs until the effective date of an Acceptable Plan.

The Resolution also approved the filing of the Commission's Chapter 9 Plan of Adjustment and a related Disclosure Statement (reported in the July 1, 2013, Material Event Notice - see below).

July 1, 2013 - The July 1 2013, Material Event Notice disclosed that the Commission filed a Chapter 9 Plan of Adjustment and a related Disclosure Statement with the Bankruptcy Court. Neither the Plan of Adjustment nor the Disclosure Statement were approved by the Bankruptcy Court at that time, and both documents may be amended, supplemented or modified from time to time by the Commission prior to Bankruptcy Court Approval. See discussion of the Chapter 9 Plan of Adjustment and Disclosure Statement below.

July 1, 2013 - The July 1 2013, Notice disclosed that the Commission provided an update regarding examinations initiated by the United States Department of the Treasury, Internal Revenue Service with respect to the Series 2003-B Warrants and the Series 2003-C Warrants. As a result of ongoing negotiations, the County expected to present a proposed closing agreement between the County and the IRS for approval by the Commission within the next few weeks. The Commission expected the closing agreement to extend to all series of the Warrants. The proposed closing agreement had not yet been finally approved by the IRS or the Commission. If the closing agreement is approved and becomes final, a subsequent Notice will be provided by the Commission.

July 30, 2013 - The July 30 2013, Material Event Notice disclosed that the Commission approved a Plan Support Agreement with Lehman Brothers Special Financing Inc. (LBSF) on July 23, 2013. The PSA discusses the restructuring transactions by and between the Commission and LBSF and requires the Commission to modify the Current Plan so that it is an Acceptable Plan, which requires certain periodic payments claimed by LBSF of \$1,250 to be classified separately and be recoverable to LBSF under the Plan. The PSA provides that other LBSF claim amounts (termination fees and accrued interest related to the swap agreements - See Note K) are not expected to be recovered. The PSA requires the supporting warrant holders to use all reasonable efforts to support confirmation of an Acceptable Plan, subject to the Bankruptcy Code, and requires an effective date before December 31, 2013, unless otherwise waived, and calls for a litigation standstill amongst the parties to the PSAs until the effective date of an Acceptable Plan.

In addition, the Commission preliminarily approved an amended proposed Financing Plan on July 23, 2013. On July 29, 2013, the Commission filed a revised Plan of Adjustment and a revised Disclosure Statement with the Bankruptcy Court. A hearing at which the Bankruptcy Court will consider whether to approve the Disclosure Statement has been scheduled for August 6, 2013. See Note W for discussion of the Chapter 9 Bankruptcy and Proposed Restructuring.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V - SUBSEQUENT EVENTS - Continued

August 21, 2013 - The August 21, 2013, Material Event Notice disclosed that the Commission entered into a Closing Agreement with the IRS that covers the Series 2003-B and Series 2003-C Sewer Warrants and all other outstanding tax-exempt Sewer Warrants and confirms the tax-exempt status of the Sewer Warrants from the date of issuance through the earlier of the date the Sewer Warrants are retired or June 30, 2015. The Commission has proposed a Plan of Adjustment in the Bankruptcy Proceeding that includes a refunding of the outstanding Sewer Warrants (see Note W). The Closing Agreement allows a two-year period to implement the proposed Plan.

Reduction in Restricted Cash Balances

Payments have been made from restricted cash accounts held by the Trustee subsequent to year end for sewer improvements or debt service on the warrants (principal or interest). Such restricted cash accounts had a balance of \$173,511 as of September 30, 2012.

Trustee's Suspension of Debt Service Payments on Sewer Warrants

The Trustee has been applying net sewer system revenues received from the Commission, pursuant to the Indenture, first to the payment of interest due and second, to the payment of principal. The holders of certain sewer warrants had consented in the past to the Trustee making such distributions.

However as of the February 1, 2013 Notice to Holders issued by the Trustee and disclosed in the February 1, 2013 Material Event Notice (discussed above), the Trustee has been informed that certain holders of Bank Warrants are not in agreement with the planned distributions which ignore existing principal payment defaults on the Bank Warrants and any required mandatory sinking fund redemption requirements. In addition, disagreements exist over certain interpretations of the Indenture, including the acceleration of certain Sewer Warrants, the effect of acceleration on the insurer's obligations and how to apply proceeds of draws under the Reserve Policies after any acceleration.

As a result, the Trustee filed with the Bankruptcy Court a complaint for declaratory judgment to determine these disputes and a motion for relief from the automatic stay to permit the Trustee in its discretion to accelerate, effective as of February 1, 2013, the Sewer Warrants. As a result of these developments, the Trustee suspended any distributions of net sewer system revenues and any draws on insurance policies securing the Sewer Warrants until further notice.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V - SUBSEQUENT EVENTS - Continued

GOVERNMENTAL ACTIVITIES (amounts in thousands)

Material Event Notices

October 8, 2012 - The October 8, 2012, Material Event Notice disclosed that the Commission received a letter from the Internal Revenue Service (IRS) stating that an examination has been initiated of the Lease Revenue Warrants, Series 2006 to determine compliance with federal tax requirements. If the IRS determines that federal tax laws or regulations applicable to the Series 2006 Warrants have been violated, interest on the said Warrants could be declared taxable, and a tax liability could be assessed against the holders of all or some portion of the said Warrants.

January 17, 2013 - The January 17, 2013, Material Event Notice disclosed that the Commission had 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* (LR Series 2006 Warrants) dated November 28, 2012, and is available on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access site. The effective date of the settlement was January 9, 2013, and the Commission's obligations are now governed by the Indenture, as supplemented and amended, and a new Lease Agreement dated as of January 1, 2013. Also, see Note J - Warrants Payable, notice of event of default LR Series 2006 Warrants.

February 15, 2013 - The February 15, 2013, Material Event Notice disclosed that the Commission has entered into a Plan Support Agreement (PSA) dated as of February 11, 2013, between the Commission and Depfa Bank PLC, as holder of the entire outstanding principal amount of the Commission's LO Series 2005-B Warrants.

Under the terms of the PSA, the Commission has agreed to direct the Indenture Trustee (U.S. Bank) to utilize excess sales tax proceeds on hand and any future excess sales tax proceeds to make mandatory redemption payments for the LO Series 2005-B Warrants held by Depfa Bank PLC (under a standby warrant purchase agreement) in March 2013 and annually thereafter. In addition, the Commission agreed to forego directing the Indenture Trustee to credit any previous excess sales tax proceeds towards the LO Series 2005-B Warrants scheduled for redemption pursuant to the amortization schedule. As part of the proposed plan, Depfa Bank PLC has agreed to reduce the interest rate on the Warrants to prime rate plus 2.25 percent, and all Events of Default and cross defaults existing now or through the effective date of this plan for the Standby Warrant Purchase Agreements with Depfa Bank PLC shall be deemed waived without any requirement that the Commission take any action to cure or otherwise eliminate any such Event of Default.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V - SUBSEQUENT EVENTS - Continued

March 6, 2013 - The March 6, 2013, Material Event Notice disclosed a rating downgrade related to the GO Series 2003-A, 2004-A and 2001-B warrants insured by National (formerly MBIA). On February 28, 2013, the insured rating assigned to the National-insured Warrants by S&P was reduced from “BBB” to “BB” in conjunction with the corresponding reduction in such rating agency’s financial strength and financial enhancement rating of National. The current insured rating of the National-insured Warrants is classified as “Outlook Developing” by S&P.

April 2, 2013 - The April 2, 2013, Material Event Notice disclosed a payment default for certain payments on Warrants due on April 1, 2013. The debt service payments for certain of the Warrants insured by National, including the GO Series 2003-A and 2004-A Warrants, were paid by draws on the National policies insuring such Warrants. The Commission expects to suspend further debt service payments on the Warrants until such debt service can be restructured under the Commission’s Plan of Adjustment under Chapter 9 (see Note W).

May 16, 2013 - The May 16, 2013, Material Event Notice disclosed a rating upgrade related to the GO Series 2003-A and 2004-A Warrants insured by National (formerly MBIA). On May 8, 2013, the insured rating assigned to the National-insured Warrants by S&P was raised from “BB” to “BBB” in conjunction with the corresponding upgrade in such rating agency’s financial strength and financial enhancement rating of National. The insured rating of the National-insured Warrants is classified as “Credit Watch Positive” by S&P.

On May 10, 2013, the insured rating assigned to the National-insured Warrants by S&P was again raised from “BBB” to “A” in conjunction with the corresponding upgrade in such rating agency’s financial strength and financial enhancement rating of National. The current insured rating of the National-insured Warrants is classified as “Outlook Stable” by S&P.

May 17, 2013 - The May 17, 2013, Material Event Notice disclosed that the Commission has entered into a Plan Support Agreement (PSA) dated as of May 13, 2013, with Bayerische Landesbank (Bayerische), JPMorgan Chase Bank, N.A. (JPMorgan) and Wells Fargo Bank NA, as indenture trustee for the Series 2001-B Warrants. Bayerische and JPMorgan hold the entire outstanding principal amount of the Series 2001-B Warrants.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V - SUBSEQUENT EVENTS - Continued

Under the terms of the PSA, the Commission shall propose and pursue confirmation of an Acceptable Plan that includes (a) a separate class for the GO 2001-B Warrants and any related claims, (b) all claims in the Series 2001-B GO Class will be allowed and (c) in full and final satisfaction, the Banks will receive their pro rata share of replacement warrants issued under the Acceptable Plan and governed by an amended and restated indenture acceptable to the Indenture Trustee and the Banks and will (i) include two separate series in the amounts of each bank's claim, (ii) be payable in amounts and dates specified in the amortization schedule included in the PSA, (iii) all debt will have a final maturity date of April 1, 2021, (iv) the New Warrants will bear interest at a base rate equal to the Wall Street Journal Prime Rate plus 1.65 percent per annum, (v) the New Warrants will not be subject to optional redemption prior to the fifth anniversary of the Effective Date and (vi) the GO Swap Agreement Claim will be classified in a separate class and the Commission shall pay JPMorgan \$10 in full and final satisfaction on the effective date and other miscellaneous terms. The New Warrants will constitute a general obligation of the Commission.

May 29, 2013 - The May 29, 2013, Material Event Notice disclosed a rating upgrade related to the GO Series 2003-A, 2004-A and 2001-B warrants insured by National (formerly MBIA). On May 29, 2013, the insured rating assigned to the National-insured Warrants by Moody's was raised from "Baa2" to "Baa1" in conjunction with the corresponding upgrade in such rating agency's financial strength and financial enhancement rating of National. The insured rating of the National-insured Warrants is classified as "Positive Outlook" by Moody's.

July 29, 2013 - The July 29, 2013, Material Event Notice disclosed that the Jefferson County Public Building Authority was notified via letter dated July 23, 2013, that the Internal Revenue Service has completed an examination of the Authority's Lease Revenue Warrants, Series 2006. The letter indicates that the examination has been closed with no change to the position that interest received by the holders of the Series 2006 Warrants is excludable from gross income under Section 103 of the Internal Revenue Code.

July 30, 2013 - The July 30, 2013, Material Event Notice disclosed that the Commission preliminarily approved an amended proposed Financing Plan on July 23, 2013. On July 29, 2013, the Commission filed a revised Plan of Adjustment and a revised Disclosure Statement with the Bankruptcy Court. A hearing at which the Bankruptcy Court will consider whether to approve the Disclosure Statement has been scheduled for August 6, 2013. See Note W for discussion of the Chapter 9 Bankruptcy and Proposed Restructuring.

October 3, 2013 - The October 3, 2013, Material Event Notice disclosed that debt service payments on the GO Series 2001-B, 2003-A and 2004-A warrants were due on October 1, 2013. The debt service payments for the GO Series 2003-A and 2004-A warrants, which are insured by National, were paid by draws on the National policies. The Commission expects to suspend further debt service payments on these warrants until such debt service can be restructured under the Commission's Plan of Adjustment under Chapter 9.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V - SUBSEQUENT EVENTS - Continued

Lease Revenue Warrants, Series 2006

Lease Agreement

The Commission entered into a replacement lease agreement effective January 1, 2013, for the Jefferson County Public Building Authority related to the LR Series 2006 Warrants. The Lease Agreement is being issued to implement that certain Stipulation and Agreement Regarding the Settlement and Resolution of Certain Disputes entered into by and among the Commission, the Public Building Authority, the Trustee for the LR Series 2006 Warrants and Ambac (the Bond insurer for these warrants). (Also, see Note S.) Simultaneous with the Lease Agreement, the Public Building Authority and Trustee for the LR Series 2006 Warrants have executed and delivered a First Supplemental Trust Indenture dated as of January 1, 2013 (see below). The lease is subject to renewal on an annual basis. Annual lease payments range from \$3.2 million to \$5.2 million, including partial payments to be made by the bond insurer for years 2016 to 2026.

First Supplemental Trust Indenture

The LR Series 2006 Warrants were issued pursuant to a Trust Indenture, dated August 1, 2006, between the Public Building Authority and First Commercial Bank. The First Supplemental Trust Indenture dated as of January 1, 2013, was entered into by and between the Jefferson County Public Building Authority and First Commercial Bank. The new agreement modifies certain provisions of the original indenture and establishes a trustee expense reserve fund, among other modifications.

Notices of Default - GO Series 2003-A and 2004-A Warrants

U.S. Bank National Association (successor Paying Agent) provided written Notices of Events of Default dated October 4, 2012 and April 2, 2013, for the GO Series 2003-A and 2004-A Warrants, due to payment defaults for the Commission's failure to pay the entire principal and interest payments due on the Warrants on October 1, 2012 and April 1, 2013. As required by Article 4(A) of Annex A of the Indenture, when sufficient payment was not received to pay the interest due on the Warrants, U.S. Bank notified the Bond Insurer, who notified the Trustee of such intent to make the payments due. National paid principal and interest amounts due totaling \$2,965 and \$4,539, respectively, on behalf of the Commission. The Paying Agent distributed all of the money received from the Bond Insurer prior to the date of the Notices.

Notices of Default - LO Series 2004-A, 2005-A and 2005-B

In a separate matter, U.S. Bank, as Trustee under the Indenture, notified bondholders on May 4, 2012, of an additional Event of Default effective December 15, 2011, when the Commission failed to the extent it was in possession of Education Tax Proceeds in excess of the amount needed to fund the Reserve Fund fully in accordance with the Indenture and to transfer funds to the Redemption Account for the redemption of LO Series 2005 Warrants as provided for by Section 14.4 of the Indenture (as discussed in Note J).

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE V - SUBSEQUENT EVENTS - Continued

In a Notice to Holders dated March 21, 2013, U.S. Bank, as Trustee, states that the Commission paid \$21,295 of Excess Proceeds to the Trustee for deposit to the Redemption Account and that such funds were used to redeem LO Series 2005-B Warrants as an Excess Tax Proceeds Mandatory Redemption, in accordance with the Indenture.

However, the Trustee was also informed that the Commission has retained and holds \$3,757 in the Revenue Account that was required to be delivered to the Trustee on December 15, 2012. The Commission has indicated to the Trustee that it believes that the retention of such excess funds in the Revenue Account is an important way to assure that the Commission has sufficient liquidity in the Revenue during the year to make regularly scheduled payments for the School Warrants regardless of potential short-term fluctuations in the collection of Tax Revenue Proceeds.

This retention of funds constitutes a default; however, the Trustee has not sent a demand notice to the Commission to cure such default in a 30-day period. The Trustee has reserved the right to do so but has no current intentions to do so unless circumstances change or it is directed by the warrant holders to do so.

Events of Default - Standby Warrant Purchase Agreement - LO Series 2005-B

The Commission also received a Notice of Default under Standby Warrant Purchase Agreement dated May 6, 2010, from Depfa Bank PLC (Depfa Bank), as discussed further in Note J. The Commission entered into a Plan Support Agreement dated February 11, 2013, with Depfa Bank. See the February 15, 2013, Material Event Notice for discussion of the agreement.

NOTE W - BANKRUPTCY AND PROPOSED RESTRUCTURING (amounts in thousands)

The Commission filed for relief under Chapter 9 of the United States Bankruptcy Code, 11 U.S.C. § 101, *et seq.* (the Bankruptcy Code), on November 9, 2011 (the Filing Date), in the United States Bankruptcy Court for the Northern District of Alabama (the Bankruptcy Court), thereby commencing the case styled *In re Jefferson County, Alabama*, Case No. 11-05736 (the Bankruptcy Case).

The Commission negotiated, prepared and authorized for filing that certain *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (the Plan of Adjustment), as well as the accompanying *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (the Disclosure Statement). The Plan of Adjustment sets forth the manner in which all claims (herein Claims) in the Bankruptcy Case will be treated if the Plan of Adjustment is confirmed by the Bankruptcy Court and becomes effective.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE W - BANKRUPTCY AND PROPOSED RESTRUCTURING - Continued

The Disclosure Statement describes the Plan of Adjustment, the Commission's current and future operations, the proposed adjustment of the Commission's indebtedness, risk factors associated with confirmation of the Plan of Adjustment and other related matters. The Disclosure Statement was approved by an order entered by the Bankruptcy Court on August 7, 2013, which order found that the Disclosure Statement satisfied the requirements of Section 1125 of the Bankruptcy Code.

The effectiveness of the Plan of Adjustment is subject to several conditions, including its confirmation and approval by the Bankruptcy Court. The Plan of Adjustment has not yet been confirmed by the Bankruptcy Court. The Bankruptcy Court has scheduled the hearing on the confirmation of the Plan of Adjustment to begin on November 12, 2013 (the Confirmation Hearing). The Plan of Adjustment remains subject to modification or withdrawal by the Commission at any time.

The Plan of Adjustment and Disclosure Statement are both public documents and available in their entirety for review on the Commission's website. For a complete understanding of the Plan of Adjustment and its terms, the Plan of Adjustment (including all exhibits and appendices attached thereto) should be reviewed. Following is a brief summary of the Plan of Adjustment.

Settlement of Sewer Warrant Claims and Related Obligations

The Plan of Adjustment is structured around a series of significant interrelated, multiparty compromises and settlements, including releases and injunctions, among the Commission and various creditors, most notably certain holders of the Commission's outstanding sewer warrants (the Sewer Warrants), insurers of the Sewer Warrants and liquidity providers for the Sewer Warrants. Those compromises and settlements were documented in five plan support agreements entered into among the Commission and these creditors (the Sewer Plan Support Agreements). Through the Plan of Adjustment, if confirmed, the Commission would realize more than \$1,200,000 of concessions from the holders of the Sewer Warrants, the insurers of the Sewer Warrants and the liquidity providers for the Sewer Warrants, plus the elimination of approximately \$70,000 in swap termination fees and accrued interest relating to the Sewer Warrants. To refund and retire fully the Sewer Warrants on these compromised terms, the Plan of Adjustment contemplates that the Commission will issue new sewer warrants (the New Sewer Warrants) in an amount sufficient to make approximately \$1,835,000 of distributions to the holders of Sewer Warrants and related claims.

Settlement of Other Significant Commission Liabilities

The Plan of Adjustment also implements a series of settlements concerning the Commission's other significant liabilities, including the following:

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE W - BANKRUPTCY AND PROPOSED RESTRUCTURING - Continued

Certain Series 2001-B General Obligation Debt Claims. The Commission's GO Series 2001-B Warrants were issued as variable rate demand warrants, were tendered for purchase and were subsequently purchased by the liquidity providers for such warrants.

The Plan of Adjustment reflects the terms of a plan support agreement negotiated among the Commission, the liquidity providers and the trustee for these warrants setting forth the terms and provisions pursuant to which these GO Series 2001-B Warrants will be exchanged for new warrants and the agreement of one such liquidity provider that also was the counterparty to an interest rate swap agreement executed in connection with the GO Series 2001-B Warrants to accept the sum of ten dollars (\$10.00) in full, final and complete settlement, satisfaction, release and exchange of its claim for a \$7,894 termination payment relating to such interest rate swap agreement.

Certain Series 2003-A and Series 2004-A General Obligation Debt Claims. The GO Series 2003-A and GO Series 2004-A Warrants are insured by National. As of the Petition Date, the Commission had paid all scheduled principal and interest payments on these Warrants when due. Following the filing of the Bankruptcy Case, the Commission ceased making payments, and all principal and interest payments scheduled to come due during the duration of the Bankruptcy Case have been paid by National pursuant to the municipal bond insurance policies.

The Plan of Adjustment reflects the terms of a plan support agreement negotiated between National and the Commission, which involves the settlement and compromise of numerous potential claim allowance and priority disputes between National and the Commission. Specifically, the Plan of Adjustment provides that National will receive a full recovery on the principal that National paid to holders of these warrants during the Bankruptcy Case, which recovery is split between two payments in 2014 and 2015. The Plan of Adjustment also provides that the Commission will repay approximately \$8.5 million of interest that National paid to holders of these warrants during the Bankruptcy Case in three payments in 2025, 2026 and 2027 - these obligations will be noninterest bearing and are subject to the Commission's right to prepay such amounts in whole or in part using a 4.90-percent discount rate. Finally, the Plan of Adjustment provides for a compromise and settlement of National's Claim for its fees and expenses, which the Commission has been informed could exceed \$4 million, through a single payment of \$1.5 million to National on the effective date of the Plan of Adjustment.

Certain School Debt Claims. The Commission's LO Series 2005-B Warrants were issued as variable rate demand warrants, and liquidity support was provided by Depfa Bank PLC. In 2008, the principal amount of the Series 2005-B School Warrants then outstanding was tendered by investors and purchased by Depfa Bank PLC, and such Series 2005-B School Warrants were held as "bank warrants" for the benefit of Depfa Bank PLC pursuant to the standby purchase agreement between the Commission and Depfa Bank PLC.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE W - BANKRUPTCY AND PROPOSED RESTRUCTURING - Continued

The Plan of Adjustment reflects the terms of a plan support agreement negotiated between Depfa Bank PLC and the Commission whereby, among other things, the parties agreed on the amount of interest payable on the Series 2005-B School Warrants held by Depfa Bank PLC and the Commission agreed to use certain future tax proceeds to redeem Series 2005-B School warrants held by Depfa Bank PLC.

Bessemer Lease Claims: As discussed in Note J, the Building Authority issued the LR Series 2006 Warrants, under which the Building Authority and the Commission entered into a lease (the Bessemer Lease) pursuant to which the Commission agreed to make rental payments on such dates and in such amounts sufficient to provide for the payment of debt service on the LR Series 2006 Warrants.

As of the Petition Date, the Commission's rent obligations under the Bessemer Lease exceeded \$8 million per year on an annualized basis. After evaluating its options, the Commission concluded that, given its cash flow constraints, it could no longer continue to maintain its obligations under the Bessemer Lease as originally structured. The Commission engaged in settlement discussions but was unable to reach a settlement prior to the lease rejection deadline under the Bankruptcy Code. Consequently, prior to such rejection deadline, the Commission moved to reject the Bessemer Lease.

Objections to the motion to reject were filed, but the Commission continued negotiations, which resulted in a stipulation among various interested parties that contemplated, among other things, the execution of a new lease (the New Bessemer Lease), which would extend the term of the Bessemer Lease from 2026 to 2037 and substantially reduce the annual rent payments due from the Commission. Following a hearing to consider the objection of one creditor, the Bankruptcy Court entered an order on December 20, 2012, approving the New Bessemer Lease, which was executed by the Building Authority and the Commission in January 2013. Under the Plan of Adjustment, in full, final and complete settlement, satisfaction, release and exchange of all Claims relating to the Bessemer Lease, the Commission agrees to recognize and perform all of its obligations under the New Bessemer Lease.

Other Unsecured Claims. The Plan of Adjustment provides that general unsecured claims against the Commission arising prior to the Petition Date will receive a pro rata distribution of a \$5,000 pool established for their benefit by the Commission under the Plan of Adjustment. Upon the Plan of Adjustment becoming effective, the Commission and its property will be discharged and released of and from the General Unsecured Claims.

**JEFFERSON COUNTY COMMISSION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2012**

NOTE W - BANKRUPTCY AND PROPOSED RESTRUCTURING - Continued

The Discharge and Release of the Commission under the Plan of Adjustment

The Plan of Adjustment provides that rights afforded in the Plan and the treatment of all claims by the Plan of Adjustment shall be in exchange for and in complete settlement, satisfaction, discharge and release of, and injunction against, all claims of any nature whatsoever arising prior to the Effective Date against the Commission or its property, including any interest accrued on such claims from and after the Petition Date.

Except as otherwise provided in the Plan of Adjustment or the order confirming the Plan of Adjustment (the Confirmation Order), on the Effective Date, (a) the Commission and its property will be discharged and released to the fullest extent permitted by Bankruptcy Code Section 944(b) from all claims and rights that arose before the Effective Date, including all debts, obligations, demands and liabilities and all debts of the kind specified in Bankruptcy Code Sections 502(g), 502(h) or 502(i).

The Plan of Adjustment also provides for the exchange of numerous releases, including the release of the Commission, as well as members of the Commission, employees of Jefferson County and other representatives and affiliates of the County, of and from various claims and causes of action.

REQUIRED SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | (In Thousands) | | | |
|---|------------------|------------|-----------------|----------------|
| | Budgeted Amounts | | Actual Amounts | Actual Amounts |
| | Original | Final | Budgetary Basis | GAAP Basis |
| Revenues | | | | |
| Taxes | \$ 101,311 | \$ 101,311 | \$ 97,758 | \$ 97,758 |
| Licenses and permits | 7,766 | 7,766 | 7,610 | 7,610 |
| Intergovernmental | 37,259 | 34,504 | 31,606 | 31,606 |
| Charges for services, net | 30,714 | 30,784 | 31,881 | 31,881 |
| Miscellaneous | 709 | 709 | 4,492 | 4,492 |
| Interest and investment income | 363 | 363 | 242 | 242 |
| | 178,122 | 175,437 | 173,589 | 173,589 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 143,984 | 145,948 | 104,372 | 104,372 |
| Public safety | 51,630 | 51,630 | 59,224 | 59,224 |
| Highway and roads | 22,194 | 22,264 | 14,792 | 14,792 |
| Education - other | - | - | 1 | 1 |
| Capital outlay | - | - | 306 | 306 |
| Indirect expenses | - | - | (7,071) | (7,071) |
| Debt service: | | | | |
| Principal retirement | - | - | 54 | 54 |
| Interest and fiscal charges | - | - | 38 | 38 |
| | 217,808 | 219,842 | 171,716 | 171,716 |
| Excess of Revenues over Expenditures | (39,686) | (44,405) | 1,873 | 1,873 |
| Other Financing Sources (Uses) | | | | |
| Sale of capital assets, net | - | - | 400 | 400 |
| Transfers in | - | - | 15,456 | 15,456 |
| Transfers out | - | - | (9,042) | (9,042) |
| | - | - | 6,814 | 6,814 |
| Net Changes in Fund Balances | (39,686) | (44,405) | 8,687 | 8,687 |
| Fund Balances - beginning of year | 79,379 | 79,379 | 79,379 | 79,379 |
| Fund Balances - end of year | \$ 39,693 | \$ 34,974 | \$ 88,066 | \$ 88,066 |

See independent auditors' report.

JEFFERSON COUNTY COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - LIMITED OBLIGATION SCHOOL FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | (In Thousands) | | | |
|--|-------------------|-------------------|-------------------|-------------------|
| | Budgeted Amounts | | Actual Amounts | Actual Amounts |
| | Original | Final | Budgetary Basis | GAAP Basis |
| Revenues | | | | |
| Taxes | \$ - | \$ - | \$ 93,836 | \$ 93,836 |
| Interest and investment income | 78,916 | 78,916 | 97 | 97 |
| | 78,916 | 78,916 | 93,933 | 93,933 |
| Expenditures | | | | |
| General government | 60 | 170 | 153 | 153 |
| Debt service: | | | | |
| Principal retirement | 32,515 | 32,515 | 32,515 | 32,515 |
| Interest and fiscal charges | 46,206 | 46,232 | 39,068 | 39,068 |
| | 78,781 | 78,917 | 71,736 | 71,736 |
| Net Changes in Fund Balances | 135 | (1) | 22,197 | 22,197 |
| Fund Balances - beginning of year | 150,308 | 150,308 | 150,308 | 150,308 |
| Fund Balances - end of year | <u>\$ 150,443</u> | <u>\$ 150,307</u> | <u>\$ 172,505</u> | <u>\$ 172,505</u> |

See independent auditors' report.

JEFFERSON COUNTY COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - INDIGENT CARE FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | (In Thousands) | | | |
|---|------------------|------------------|-----------------|-----------------|
| | Budgeted Amounts | | Actual Amounts | Actual Amounts |
| | Original | Final | Budgetary Basis | GAAP Basis |
| Revenues | | | | |
| Taxes | \$ 41,859 | \$ 41,859 | \$ 46,020 | \$ 46,020 |
| Miscellaneous | - | - | 7 | 7 |
| Interest and investment income | - | - | 2 | 2 |
| | 41,859 | 41,859 | 46,029 | 46,029 |
| Expenditures | | | | |
| Indirect expenses | - | - | - | - |
| Excess of Revenues over Expenditures | 41,859 | 41,859 | 46,029 | 46,029 |
| Other Financing Sources (Uses) | | | | |
| Transfers out | - | - | (46,262) | (46,262) |
| Net Changes in Fund Balances | 41,859 | 41,859 | (233) | (233) |
| Fund Balances - beginning of year | 9,436 | 9,436 | 9,436 | 9,436 |
| Fund Balances - end of year | <u>\$ 51,295</u> | <u>\$ 51,295</u> | <u>\$ 9,203</u> | <u>\$ 9,203</u> |

See independent auditors' report.

JEFFERSON COUNTY COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - BRIDGE AND PUBLIC BUILDING FUND (UNAUDITED)
FOR THE YEAR ENDED SEPTEMBER 30, 2012

| | (In Thousands) | | | |
|---|------------------|------------------|-----------------|-----------------|
| | Budgeted Amounts | | Actual Amounts | Actual Amounts |
| | Original | Final | Budgetary Basis | GAAP Basis |
| Revenues | | | | |
| Taxes | \$ 40,931 | \$ 40,931 | \$ 41,916 | \$ 41,916 |
| Intergovernmental | 500 | 500 | 842 | 842 |
| Interest and investment income | - | - | 58 | 58 |
| | <u>41,431</u> | <u>41,431</u> | <u>42,816</u> | <u>42,816</u> |
| Expenditures | | | | |
| Indirect expenses | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess of Revenues over Expenditures | 41,431 | 41,431 | 42,816 | 42,816 |
| Other Financing Sources (Uses) | | | | |
| Transfers out | - | - | (42,816) | (42,816) |
| | <u>-</u> | <u>-</u> | <u>(42,816)</u> | <u>(42,816)</u> |
| Net Changes in Fund Balances | 41,431 | 41,431 | - | - |
| Fund Balances - beginning of year | - | - | - | - |
| Fund Balances - end of year | <u>\$ 41,431</u> | <u>\$ 41,431</u> | <u>\$ -</u> | <u>\$ -</u> |

See independent auditors' report.

**JEFFERSON COUNTY COMMISSION
SCHEDULE OF FUNDING PROGRESS -
DEFINED BENEFIT PENSION PLAN AND OTHER
POSTEMPLOYMENT BENEFITS PLAN
(UNAUDITED)
SEPTEMBER 30, 2012**

The schedule of funding progress presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The actuarial information presented is determined by an actuarial valuation and is the amount that results from applying various assumptions with regard to termination, disability, mortality and the time value of money to the accumulated plan benefits.

Schedule of Funding Progress for Defined Benefit Pension Plan

(In Thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Entry Age (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL As a Percentage of Covered Payroll [(b-a)/c] |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 10/01/12 | \$ 931,093 | \$ 913,822 | \$ (17,271) | 101.89% | \$ 118,896 | (14.5%) |
| 10/01/11 | 949,368 | 899,516 | (49,852) | 105.54% | 138,971 | (35.9%) |
| 10/01/10 | 965,690 | 885,063 | (80,627) | 109.11% | 152,923 | (52.7%) |

Schedule of Funding Progress for Other Postemployment Benefits Plan

(In Thousands)

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) Projected Unit Credit (b) | Unfunded AAL (UAAL) (b-a) | Funded Ratio (a/b) | Covered Payroll (c) | UAAL As a Percentage of Covered Payroll [(b-a)/c] |
|--------------------------|-------------------------------|---|---------------------------|--------------------|---------------------|---|
| 09/30/12 | \$ - | \$ 80,163 | \$ 80,163 | 0% | \$ 118,896 | 67.4% |
| 09/30/11 | - | 80,163 | 80,163 | 0% | 138,971 | 57.7% |
| 09/30/10 | - | 90,809 | 90,809 | 0% | 152,923 | 59.4% |
| 09/30/09 | - | 90,809 | 90,809 | 0% | 158,254 | 57.4% |
| 09/30/08 | - | 68,052 | 68,052 | 0% | 163,182 | 41.7% |

See independent auditors' report.

SUPPLEMENTARY INFORMATION

JEFFERSON COUNTY COMMISSION
 COMBINING BALANCE SHEET -
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2012
 (IN THOUSANDS)

| ASSETS | Community Development Fund | Debt Service Fund | Capital Improvements Fund | Public Building Authority | Road Construction Fund | Home Grant Fund | Emergency Management Fund | Total Nonmajor Governmental Funds |
|--------------------------------------|----------------------------------|-------------------------|---------------------------------|---------------------------------|------------------------------|--------------------|---------------------------------|---|
| Cash and investments | \$ - | \$ - | \$ 48,831 | \$ - | \$ 2,137 | \$ 41 | \$ 437 | \$ 51,446 |
| Accounts receivable, net | 1 | - | 4 | - | - | - | 63 | 68 |
| Due from (to) other governments | - | 5,389 | - | - | - | 105 | - | 5,494 |
| Loans receivable, net | 880 | - | - | - | - | 114 | - | 994 |
| Restricted assets | - | - | - | 19,637 | - | - | - | 19,637 |
| Advances due from (to) other funds | (139) | 16,800 | - | - | - | - | - | 16,661 |
| | <u>\$ 742</u> | <u>\$ 22,189</u> | <u>\$ 48,835</u> | <u>\$ 19,637</u> | <u>\$ 2,137</u> | <u>\$ 260</u> | <u>\$ 500</u> | <u>\$ 94,300</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 301 | \$ - | \$ 1,201 | \$ 204 | \$ 530 | \$ 153 | \$ 341 | \$ 2,730 |
| Deferred/unearned revenue | 283 | - | - | - | - | 105 | - | 388 |
| Accrued wages and benefits | 19 | - | - | - | - | 2 | 12 | 33 |
| Accrued interest | - | 11,125 | - | 1,978 | - | - | - | 13,103 |
| Debt service costs | - | 7,894 | - | - | - | - | - | 7,894 |
| Retainage payable | - | - | 75 | - | - | - | - | 75 |
| Total Liabilities | 603 | 19,019 | 1,276 | 2,182 | 530 | 260 | 353 | 24,223 |
| Fund Balances (Deficit) | | | | | | | | |
| Nonspendable | - | 16,800 | - | - | - | - | - | 16,800 |
| Restricted | 139 | 5,389 | - | 19,637 | - | - | - | 25,165 |
| Committed | 1,191 | 100 | 1,205 | 549 | 3,565 | 179 | 8,679 | 15,468 |
| Assigned | - | - | 46,354 | - | - | - | 147 | 46,501 |
| Unassigned | (1,191) | (19,119) | - | (2,731) | (1,958) | (179) | (8,679) | (33,857) |
| | <u>139</u> | <u>3,170</u> | <u>47,559</u> | <u>17,455</u> | <u>1,607</u> | <u>-</u> | <u>147</u> | <u>70,077</u> |
| | <u>\$ 742</u> | <u>\$ 22,189</u> | <u>\$ 48,835</u> | <u>\$ 19,637</u> | <u>\$ 2,137</u> | <u>\$ 260</u> | <u>\$ 500</u> | <u>\$ 94,300</u> |

See independent auditors' report.

JEFFERSON COUNTY COMMISSION
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2012
 (IN THOUSANDS)

| | Community Development Fund | Debt Service Fund | Capital Improvements Fund | Public Building Authority | Road Construction Fund | Home Grant Fund | Emergency Management Fund | Total Nonmajor Governmental Funds |
|--|----------------------------------|-------------------------|---------------------------------|---------------------------------|------------------------------|--------------------|---------------------------------|---|
| Revenues | | | | | | | | |
| Intergovernmental | \$ 3,786 | \$ 5,389 | \$ - | \$ - | \$ 1,412 | \$ 1,204 | \$ 1,107 | \$ 12,898 |
| Charges for services, net | - | - | - | - | - | - | 765 | 765 |
| Miscellaneous | - | - | - | - | 17 | - | 912 | 929 |
| Interest and investment income | - | - | 21 | 922 | 2 | 47 | - | 992 |
| | <u>3,786</u> | <u>5,389</u> | <u>21</u> | <u>922</u> | <u>1,431</u> | <u>1,251</u> | <u>2,784</u> | <u>15,584</u> |
| Expenditures | | | | | | | | |
| Current: | | | | | | | | |
| General government | 4,066 | - | 45 | 330 | 5 | 1,375 | - | 5,821 |
| Public safety | - | - | 15 | - | - | - | 2,375 | 2,390 |
| Health and welfare | 7 | - | - | - | - | - | - | 7 |
| Capital outlay | - | - | 3,013 | 1,335 | 1,866 | - | - | 6,214 |
| Indirect expenses | - | - | - | - | - | - | 135 | 135 |
| Debt service: | | | | | | | | |
| Principal retirement | - | - | - | 4,130 | - | - | - | 4,130 |
| Interest and fiscal charges | - | 10,495 | - | 4,082 | - | - | - | 14,577 |
| | <u>4,073</u> | <u>10,495</u> | <u>3,073</u> | <u>9,877</u> | <u>1,871</u> | <u>1,375</u> | <u>2,510</u> | <u>33,274</u> |
| Excess (Deficiency) of Revenues over Expenditures | (287) | (5,106) | (3,052) | (8,955) | (440) | (124) | 274 | (17,690) |
| Other Financing Sources (Uses) | | | | | | | | |
| Sale of capital assets | - | - | 1,786 | - | - | - | - | 1,786 |
| Legal and insurance settlements | - | - | 8,475 | - | - | - | - | 8,475 |
| Transfers in | - | 1,135 | 24,774 | 1,515 | - | 26 | 4,029 | 31,479 |
| | <u>-</u> | <u>1,135</u> | <u>35,035</u> | <u>1,515</u> | <u>-</u> | <u>26</u> | <u>4,029</u> | <u>41,740</u> |
| Net Changes in Fund Balances | (287) | (3,971) | 31,983 | (7,440) | (440) | (98) | 4,303 | 24,050 |
| Fund Balances - beginning of year, as previously reported | 426 | 7,141 | 15,576 | 24,895 | 2,047 | 98 | 596 | 50,779 |
| Prior Period Adjustment | - | - | - | - | - | - | (4,752) | (4,752) |
| Fund Balances - beginning of year, as restated | 426 | 7,141 | 15,576 | 24,895 | 2,047 | 98 | (4,156) | 46,027 |
| Fund Balances - end of year | <u>\$ 139</u> | <u>\$ 3,170</u> | <u>\$ 47,559</u> | <u>\$ 17,455</u> | <u>\$ 1,607</u> | <u>\$ -</u> | <u>\$ 147</u> | <u>\$ 70,077</u> |

See independent auditors' report.

JEFFERSON COUNTY COMMISSION
COMBINING STATEMENT OF NET ASSETS -
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2012
(IN THOUSANDS)

| ASSETS | Landfill Operations Fund | Jefferson Rehabilitation and Health Center Fund | Jefferson County Economic and Industrial Development Authority | Total Nonmajor Enterprise Funds |
|------------------------------------|--------------------------------|--|--|---------------------------------------|
| Current Assets | | | | |
| Cash and investments | \$ 1,864 | \$ 36 | \$ 3,074 | \$ 4,974 |
| Patient accounts receivable, net | - | 534 | - | 534 |
| Accounts receivable, net | 219 | - | 61 | 280 |
| Due to other governments | - | - | (1,300) | (1,300) |
| Inventories | 2 | - | - | 2 |
| Deferred charges - issuance costs | - | - | 1 | 1 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Current Assets | 2,085 | 570 | 1,836 | 4,491 |
| Noncurrent Assets | | | | |
| Restricted assets | 2,440 | - | 423 | 2,863 |
| Advances due from (to) other funds | (16,800) | (2,267) | (15,394) | (34,461) |
| Capital assets: | | | | |
| Depreciable assets, net | 23,287 | 2,563 | 3,979 | 29,829 |
| Nondepreciable assets | 7,907 | - | 12,557 | 20,464 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 16,834 | 296 | 1,565 | 18,695 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | \$ 18,919 | \$ 866 | \$ 3,401 | \$ 23,186 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

See independent auditors' report.

| LIABILITIES AND NET ASSETS | Landfill Operations Fund | Jefferson Rehabilitation and Health Center Fund | Jefferson County Economic and Industrial Development Authority | Total Nonmajor Enterprise Funds |
|--|---|--|---|--|
| Current Liabilities | | | | |
| Accounts payable | \$ - | \$ 242 | \$ 16 | \$ 258 |
| Accrued wages and benefits | 1 | 52 | - | 53 |
| Accrued interest | - | - | 1 | 1 |
| Estimated claims liability | - | 66 | - | 66 |
| Estimated liability for compensated absences | - | 85 | - | 85 |
| Warrants payable | - | - | 415 | 415 |
| Add: Unamortized premiums (discounts) | - | - | (1) | (1) |
| Less: Deferred loss on refunding | - | - | (2) | (2) |
| | <u>-</u> | <u>-</u> | <u>412</u> | <u>412</u> |
| Total Current Liabilities | 1 | 445 | 429 | 875 |
| Noncurrent Liabilities | | | | |
| Estimated liability for landfill closure and postclosure care costs | 10,369 | - | - | 10,369 |
| Estimated claims liability | - | 108 | - | 108 |
| Estimated liability for other postemployment benefits | - | 219 | - | 219 |
| Estimated liability for compensated absences | - | 94 | - | 94 |
| | <u>10,370</u> | <u>866</u> | <u>429</u> | <u>11,665</u> |
| Total Liabilities | 10,370 | 866 | 429 | 11,665 |
| Net Assets (Deficit) | | | | |
| Invested in capital assets, net of related debt | 31,194 | 2,563 | (570) | 33,187 |
| Restricted for: | | | | |
| Debt service | - | - | 423 | 423 |
| Closure and postclosure care | 2,440 | - | - | 2,440 |
| Unrestricted | <u>(25,085)</u> | <u>(2,563)</u> | <u>3,119</u> | <u>(24,529)</u> |
| | <u>\$ 8,549</u> | <u>\$ -</u> | <u>\$ 2,972</u> | <u>\$ 11,521</u> |

JEFFERSON COUNTY COMMISSION
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS -
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(IN THOUSANDS)

| | Landfill Operations Fund | Jefferson Rehabilitation and Health Center Fund | Jefferson County Economic and Industrial Development Authority | Total Nonmajor Enterprise Funds |
|---|---|--|---|--|
| Operating Revenues | | | | |
| Charges for services, net | \$ - | \$ 3,796 | \$ - | \$ 3,796 |
| Other operating revenue | 1,259 | 9 | 91 | 1,359 |
| | 1,259 | 3,805 | 91 | 5,155 |
| Operating Expenses | | | | |
| Salaries | - | 2,495 | 200 | 2,695 |
| Employee benefits and payroll taxes | 94 | 787 | 16 | 897 |
| Materials and supplies | - | 543 | - | 543 |
| Utilities | - | 771 | 25 | 796 |
| Outside services | 59 | 1,454 | 109 | 1,622 |
| Office expenses | - | 38 | 120 | 158 |
| Depreciation | 1,861 | 378 | 291 | 2,530 |
| Closure and postclosure care | 85 | - | - | 85 |
| Indirect expenses | 10 | - | - | 10 |
| Miscellaneous | - | 837 | 7 | 844 |
| | 2,109 | 7,303 | 768 | 10,180 |
| Operating Loss | (850) | (3,498) | (677) | (5,025) |
| Nonoperating Revenues (Expenses) | | | | |
| Interest expense, net | (78) | (1) | (112) | (191) |
| Interest revenue | - | - | 7 | 7 |
| Amortization of warrant related costs | 4 | - | (14) | (10) |
| Loss on impairment of capital assets | - | - | - | - |
| Gain (loss) on sale or retirement of capital assets | 78 | (9) | - | 69 |
| | 4 | (10) | (119) | (125) |
| Operating Transfers | | | | |
| Transfers in | - | 793 | - | 793 |
| Change in Net Assets | (846) | (2,715) | (796) | (4,357) |
| Net Assets - beginning of year | 9,395 | 2,715 | 3,768 | 15,878 |
| Net Assets - end of year | <u>\$ 8,549</u> | <u>\$ -</u> | <u>\$ 2,972</u> | <u>\$ 11,521</u> |

See independent auditors' report.

**JEFFERSON COUNTY COMMISSION
COMBINING STATEMENT OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(IN THOUSANDS)**

| | Landfill Operations Fund | Jefferson Rehabilitation and Health Center Fund | Jefferson County Economic and Industrial Development Authority | Total Nonmajor Enterprise Funds |
|---|---|--|---|--|
| Cash Flows from Operating Activities | | | | |
| Cash received from services | \$ - | \$ 4,207 | \$ 91 | \$ 4,298 |
| Cash payments to employees | (93) | (3,340) | (215) | (3,648) |
| Cash payments for goods and services | (66) | (3,244) | (241) | (3,551) |
| Other receipts and payments, net | 1,595 | 1,334 | 69 | 2,998 |
| Net Cash Provided (Used) by Operating Activities | 1,436 | (1,043) | (296) | 97 |
| Cash Flows from Noncapital Financing Activities | | | | |
| Operating transfers in | - | 793 | - | 793 |
| Net Cash Provided by Noncapital Financing Activities | - | 793 | - | 793 |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Acquisition of capital assets | - | - | (16) | (16) |
| Sale of capital assets | 285 | - | - | 285 |
| Interest paid | (78) | - | (114) | (192) |
| Principal payments on warrants | - | - | (1,435) | (1,435) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | 207 | - | (1,565) | (1,358) |
| Cash Flows from Investing Activities | | | | |
| Interest received | - | - | 7 | 7 |
| Miscellaneous | 4 | (2) | - | 2 |
| Net Cash Provided by Investing Activities | 4 | (2) | 7 | 9 |
| Change in Cash and Investments | 1,647 | (252) | (1,854) | (459) |
| Cash and Investments - beginning of year | 2,657 | 288 | 5,351 | 8,296 |
| Cash and Investments - end of year | \$ 4,304 | \$ 36 | \$ 3,497 | \$ 7,837 |
| Displayed As | | | | |
| Cash and investments | \$ 1,864 | \$ 36 | \$ 3,074 | \$ 4,974 |
| Restricted assets - noncurrent cash and investments | 2,440 | - | 423 | 2,863 |
| | \$ 4,304 | \$ 36 | \$ 3,497 | \$ 7,837 |

**JEFFERSON COUNTY COMMISSION
COMBINING STATEMENT OF CASH FLOWS -
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2012
(IN THOUSANDS)
(Continued)**

| | Landfill Operations Fund | Jefferson Rehabilitation and Health Center Fund | Jefferson County Economic and Industrial Development Authority | Total Nonmajor Enterprise Funds |
|---|---|--|---|--|
| Reconciliation of Operating Loss to Net Cash Provided (Used) by Operating Activities | | | | |
| Operating loss | \$ (850) | \$ (3,498) | \$ (677) | \$ (5,025) |
| Adjustments to reconcile operating loss to net cash provided (used) by operating activities: | | | | |
| Depreciation expense | 1,861 | 378 | 291 | 2,530 |
| Provision for bad debts | - | 492 | - | 492 |
| Change in patient accounts receivable | - | (81) | - | (81) |
| Change in accounts receivable | (111) | - | - | (111) |
| Change in inventories | 3 | - | - | 3 |
| Change in advances due from (to) other funds | - | 2,267 | 77 | 2,344 |
| Change in accounts payable | - | (438) | 13 | (425) |
| Change in accrued wages and benefits | 1 | (14) | - | (13) |
| Change in estimated claims liability | - | (105) | - | (105) |
| Change in estimated liability for compensated absences | - | (117) | - | (117) |
| Change in estimated liability for landfill closure and postclosure care costs | 532 | - | - | 532 |
| Change in estimated liability for other postemployment benefits | - | 73 | - | 73 |
| | <u>2,286</u> | <u>2,455</u> | <u>381</u> | <u>5,122</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 1,436</u> | <u>\$ (1,043)</u> | <u>\$ (296)</u> | <u>\$ 97</u> |
| SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES | | | | |
| Gain (loss) on sale or retirement of capital assets | <u>\$ 78</u> | <u>\$ (9)</u> | <u>\$ -</u> | <u>\$ 69</u> |

See independent auditors' report.

JEFFERSON COUNTY COMMISSION
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUND
SEPTEMBER 30, 2012
(IN THOUSANDS)

| | Balance October 1, 2011 | Additions | Deductions | Balance September 30, 2012 |
|--|-------------------------------|--------------|----------------|----------------------------------|
| <u>City of Birmingham Revolving Loan Fund</u> | | | | |
| Assets | | | | |
| Cash and investments | \$ 832 | \$ 62 | \$ (7) | \$ 887 |
| Loans receivable, net | 221 | - | (55) | 166 |
| | <u>\$ 1,053</u> | <u>\$ 62</u> | <u>\$ (62)</u> | <u>\$ 1,053</u> |
| Liabilities | | | | |
| Due to other governments | <u>\$ 1,053</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 1,053</u> |

See independent auditors' report.

ADDITIONAL INFORMATION

**JEFFERSON COUNTY COMMISSION
COMMISSION MEMBERS AND ADMINISTRATIVE PERSONNEL
(UNAUDITED)
SEPTEMBER 30, 2012**

| Commission Members As of October 7, 2013 | | | Term Expires |
|---|-----------|--|---------------------|
| Hon. David Carrington | President | Suite 230 Jefferson County Courthouse Birmingham, AL 35263 | 2014 |
| Hon. George T. Bowman | Member | Suite 240 Jefferson County Courthouse Birmingham, AL 35263 | 2014 |
| Hon. Sandra Little Brown | Member | Suite 250 Jefferson County Courthouse Birmingham, AL 35263 | 2014 |
| Hon. T. Joe Knight | Member | Suite 220 Jefferson County Courthouse Birmingham, AL 35263 | 2014 |
| Hon. James A. Stephens | Member | Suite 210 Jefferson County Courthouse Birmingham, AL 35263 | 2014 |

| Administrative Personnel As of October 7, 2013 | | |
|---|-------------------------------|--|
| George J. Tablack | Chief Financial Officer | Suite 810 Jefferson County Courthouse Birmingham, AL 35263 |
| Carol Sue Nelson | County Attorney | Suite 280 Jefferson County Courthouse Birmingham, AL 35263 |

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX L
COUNTY BUDGET FOR THE 2014 FISCAL YEAR

[THIS PAGE INTENTIONALLY LEFT BLANK]

Jefferson County Commission
BMO SUMMARY OF OPERATING/CAPITAL BUDGETS
FY2014

| Org. No. | Organization Name | Adopted Revenue Forecast FY2014 |
|-------------|----------------------------------|--|
| 1001 | Commissioner, District 1 | |
| 1002 | Commissioner, District 2 | |
| 1003 | Commissioner, District 3 | |
| 1004 | Commissioner, District 4 | |
| 1005 | Commissioner, District 5 | |
| 1006 | Commission Support | |
| 1007 | County Manager | |
| 1008 | Capital Structure & Investments | |
| | | |
| 6200 | Probate Court | 6,814,671 |
| 6200 | Probate Election & Commitment | 315,000 |
| 6700 | Law Library | 197,767 |
| 6301 | Family Court | 1,538,325 |
| 4200 | Youth Detention | 504,992 |
| 6400 | State Courts | 820,000 |
| | | |
| 6500 | District Attorney - Birmingham | 100,000 |
| | | |
| 6600 | District Attorney - Bessemer | 50,000 |
| | | |
| 6800 | Finance/Administration | 7,000,000 |
| 6900 | Finance - Purchasing & PACA | 150,000 |
| | | |
| 2800 | BMO/Payroll | 3,000 |
| | | |
| 6000 | Human Resources | |
| 6001 | Receiver TO BE DETERMINED | |
| | | |
| 1100 | Revenue | 61,007,638 |
| | | |
| 1200 | County Attorney | |
| 3101 | County Attorney - Outside Legal | |
| | | |
| 1301 | Board of Equalization - Chairman | 76,300 |
| | | |
| 1400 | Tax Assessor - Birmingham County | 5,610,400 |
| 1410 | Tax Assessor - Bessemer County | 0 |
| | | |
| 1501 | Tax Collector - Birmingham | 42,234,535 |
| 1502 | Tax Collector - Bessemer | |
| | | |
| 1600 | Treasurer | 150,000 |
| | | |
| 1700 | Personnel Board | 6,308,461 |
| | | |
| 2100 | Land Development | 55,500 |
| | | |
| 2200 | Information Technology | 30,000 |
| 2230 | IT-Communication | 0 |
| 2301 | IT - E911 | 0 |
| | | |

| Org. No. | Organization Name | Adopted Revenue Forecast FY2014 |
|---------------------------|-----------------------------------|---------------------------------|
| 2401 | General Services(no PBA included) | 1,743,300 |
| 2403 | General Services - Elections | 41,000 |
| | | |
| 2500 | Board of Registrars | 143,000 |
| | | |
| 3000 | Cooperative Extension | |
| | | |
| 3200 | Office of Sr. Citizens Services | |
| | | |
| 4100 | Sheriff | 850,000 |
| 4100 | Sheriff Vehicles | |
| 4100 | Sheriff fleet charges | |
| 4300 | Coroner / Medical Examiner | 3,500 |
| 4400 | Inspection Services | 1,025,000 |
| | | |
| 4800 | Storm Water Management | 464,050 |
| | | |
| 2600 | Roads - Fleet Management | 400,000 |
| 3101 | Fuel & Fleet Charges | |
| 3131 | Delegation Office | 0 |
| 3135 | Barber Commission | 25,038 |
| 3101 | T.A.S.C. Program | |
| 3101 | Animal Control | |
| 3101 | Sick Leave Conversion | |
| 3101 | Non-Departmental (Fund 01) | |
| 3101 | Indirect Cost | 14,338,523 |
| | Merits | |
| | | |
| Total General Fund | | 152,000,000 |

Special Revenue Funds

| | | |
|------|------------------------------------|------------|
| | | |
| 1303 | Board of Equalization - State | 7,900,000 |
| 6303 | Family Court / Grant | 750,000 |
| 1401 | Tax Assessor-Birmingham State | |
| 1411 | Tax Assessor-Bessemer State | |
| 2020 | Economic Development | |
| 3200 | Office of Senior Citizens / Grants | 3,349,143 |
| 3101 | Road Tax Distribution | |
| 3101 | Shares Tax | |
| | | |
| | | |
| | | 11,999,143 |

School Warrant Fund (11)

| | | |
|----------------------------------|------------------------|-------------------|
| 6801 | Finance/Administration | 94,000,000 |
| Total School Warrant Fund | | 94,000,000 |

| Org. No. | Organization Name | Adopted Revenue Forecast FY2014 |
|-------------|-------------------|--|
|-------------|-------------------|--|

Road Fund (13)

| | | |
|------------------------|--------------------------------|-------------------|
| 5100 | Highway - Administration | 16,591,000 |
| 5200 | Highway - Design | |
| 5300 | Highway - Right of Way | |
| 5400 | Highway - Engineering & Const. | |
| 5450 | Highway - Bridge Maint Const | |
| 5500 | Highway - Maint. / Bessemer | |
| 5600 | Highway - Maint. / Ketona | |
| 5700 | Highway - Traffic Engineering | |
| | | |
| | | |
| Total Road Fund | | 16,591,000 |

Bridge and Public Bldg Fund (15)

| | | |
|--|------------|-------------------|
| | Ad Valorem | 42,000,000 |
| | | |
| | | |
| | | |
| Total Bridge and Public Bldg Fund | | 42,000,000 |

Community Development (17)

| | | |
|---|-----------------------|------------------|
| 2000 | Community Development | 2,284,625 |
| | | |
| Total Community Development Fund | | 2,284,625 |

Community Development (18)

| | | |
|---|-----------------------|------------------|
| 2020 | Workforce Development | 5,490,985 |
| | | |
| Total Community Development Fund | | 5,490,985 |

Community Development Home Program (62)

| | | |
|---------------------------|-----------------------------|----------------|
| 2030 | Community Dev. Home Program | 663,262 |
| 3101 | Non-departmental | |
| Total Home Program | | 663,262 |

| | |
|------------------------------------|--------------------|
| Total Special Revenue Funds | 173,029,015 |
|------------------------------------|--------------------|

Capital Funds

Capital Projects Fund (21)

| | | |
|------|---------------------------------|--|
| 1300 | Board of Equalization - Bham. | |
| 1401 | Tax Assessor - Birmingham State | |
| 1411 | Tax Assessor - Bessemer State | |
| 1501 | Tax Collector Bham | |
| 2401 | General Services | |
| 2401 | General Services | |
| 2403 | General Services - Elections | |

| Org. No. | Organization Name | Adopted Revenue Forecast FY2014 |
|-------------|-------------------|--|
|-------------|-------------------|--|

Trust and Agency Funds

Emergency Management Fund (63)

| | | |
|-----------------------|------------------------------|------------------|
| 4500 | Emergency Management Agency | 1,681,312 |
| 4550 | JCC Disaster Recovery - FEMA | |
| 4560 | FMA Disaster Recover - FEMA | |
| 3101 | Non-departmental | |
| Total EMA Fund | | 1,681,312 |

Pension Fund (71)

| | | |
|---------------------------------|------------------|----------------|
| 1800 | Pension Board | 658,866 |
| 3101 | Non-departmental | |
| Total Pension Board Fund | | 658,866 |

TOTAL TRUST AND AGENCY FUNDS

2,340,178

Debt Service Fund (95)

| | | |
|--------------------------------|--------------|------------------|
| 3101 | Debt Service | 2,000,000 |
| Total Debt Service Fund | | 2,000,000 |

GRAND TOTAL ALL FUNDS

553,644,569

Jefferson County Commission
BMO SUMMARY OF OPERATING/CAPITAL BUDGETS
FY2014

| Org. No. | Organization Name | Components of FY2014 Department Budgets | | | | | |
|----------|-----------------------------------|---|------------------|-----------|-------------------|--------------------------|------------------|
| | | Adopted Expenses FY2014 | Salary w/2% COLA | Operating | Capital Equipment | 8-19-13 Filled Positions | Vacant Positions |
| 1001 | Commissioner, District 1 | 290,000 | 287,225 | 2,775 | | 4 | - |
| 1002 | Commissioner, District 2 | 290,000 | 280,000 | 10,000 | | 3 | 1 |
| 1003 | Commissioner, District 3 | 290,000 | 280,000 | 10,000 | | 3 | 1 |
| 1004 | Commissioner, District 4 | 290,000 | 280,000 | 10,000 | | 3 | 1 |
| 1005 | Commissioner, District 5 | 290,000 | 280,000 | 10,000 | | 3 | 1 |
| 1006 | Commission Support | 47,318 | | 47,318 | | - | - |
| 1007 | County Manager | 691,468 | 681,468 | 10,000 | | 3 | - |
| 1008 | Capital Structure & Investments | 0 | | | | - | 1 |
| 6200 | Probate Court | 2,830,813 | 2,756,876 | 73,937 | | 37 | 9 |
| 6200 | Probate Election & Commitment | 2,477,240 | | 2,477,240 | | | |
| 6700 | Law Library | 179,488 | 177,988 | 1,500 | | 2 | 1 |
| 6301 | Family Court | 6,431,653 | 5,645,948 | 785,705 | | 78 | 4 |
| 4200 | Youth Detention | 3,967,435 | 3,564,226 | 382,209 | 21,000 | 48 | 5 |
| 6400 | State Courts | 3,036,674 | 1,898,280 | 1,138,394 | | 59 | 5 |
| 6500 | District Attorney - Birmingham | 4,565,755 | 4,482,120 | 83,635 | | 19 | 2 |
| 6600 | District Attorney - Bessemer | 2,482,084 | 2,444,004 | 38,080 | | 18 | - |
| 6800 | Finance/Administration | 2,729,963 | 1,600,543 | 1,129,420 | | 18 | 2 |
| 6900 | Finance - Purchasing & PACA | 964,086 | 726,029 | 238,057 | | 8 | 7 |
| 2800 | BMO/Payroll | 710,057 | 687,077 | 22,980 | | 8 | 1 |
| 6000 | Human Resources | 2,222,695 | 1,849,555 | 373,140 | | 16 | 4 |
| 6001 | Receiver TO BE DETERMINED | | | | | | |
| 1100 | Revenue | 9,238,127 | 7,935,741 | 1,302,386 | | 119 | 13 |
| 1200 | County Attorney | 1,390,523 | 1,229,908 | 160,615 | | 7 | 2 |
| 3101 | County Attorney - Outside Legal | 5,500,000 | | 5,500,000 | | | |
| 1301 | Board of Equalization - Chairman | 215,953 | 215,953 | | | 3 | |
| 1400 | Tax Assessor - Birmingham County | 295,932 | 259,847 | 36,085 | | 3 | |
| 1410 | Tax Assessor - Bessemer County | 265,155 | 254,670 | 10,485 | | 3 | |
| 1501 | Tax Collector - Birmingham | 1,643,094 | 1,429,038 | 214,056 | | 17 | 4 |
| 1502 | Tax Collector - Bessemer | 677,068 | 636,375 | 40,693 | | 6 | 5 |
| 1600 | Treasurer | 655,875 | 615,731 | 40,144 | | 8 | - |
| 1700 | Personnel Board | 9,558,275 | 6,076,693 | 3,392,390 | 89,192 | 56 | 10 |
| 2100 | Land Development | 1,573,520 | 1,507,350 | 66,170 | | 14 | 4 |
| 2200 | Information Technology | 6,196,685 | 2,965,454 | 3,231,231 | | 27 | 3 |
| 2230 | IT-Communication | 1,952,789 | 234,208 | 1,718,581 | | 3 | 1 |
| 2301 | IT - E911 | 1,079,869 | | 1,079,869 | | | |
| 2401 | General Services(no PBA included) | 14,652,379 | 6,833,943 | 7,818,436 | | 92 | 19 |
| 2403 | General Services - Elections | 1,091,446 | 264,157 | 827,289 | | 3 | 1 |
| 2500 | Board of Registrars | 893,622 | 750,548 | 143,074 | | 8 | 1 |

| Org. No. | Organization Name | Components of FY2014 Department Budgets | | | | | |
|---------------------------|---------------------------------|---|--------------------|-------------------|-------------------|--------------------------|------------------|
| | | Adopted Expenses FY2014 | Salary w/2% COLA | Operating | Capital Equipment | 8-19-13 Filled Positions | Vacant Positions |
| 3000 | Cooperative Extension | 98,949 | - | 98,949 | | - | - |
| 3200 | Office of Sr. Citizens Services | 990,751 | 575,568 | 415,183 | | 9 | 11 |
| 4100 | Sheriff | 33,368,034 | 27,868,932 | 5,499,102 | | 323 | 65 |
| 4102 | Sheriff - Jails | 13,631,966 | 12,131,068 | 1,500,898 | | 205 | 52 |
| 4100 | Sheriff Vehicles | 0 | | | | | |
| 4100 | Sheriff fleet charges | 1,700,000 | | 1,700,000 | | | |
| 4300 | Coroner / Medical Examiner | 2,781,305 | 1,399,862 | 1,356,443 | 25,000 | 16 | 1 |
| 4400 | Inspection Services | 1,498,050 | 1,453,566 | 44,484 | | 16 | 2 |
| 4800 | Storm Water Management | 932,158 | 877,258 | 54,900 | | 8 | - |
| 2600 | Roads - Fleet Management | 3,295,246 | 1,945,331 | 1,349,915 | | 23 | 3 |
| 3101 | Fuel & Fleet Charges | 0 | | | | | |
| 3131 | Delegation Office | 0 | | | | - | - |
| 3135 | Barber Commission | 25,038 | 25,038 | | | 1 | - |
| 3101 | T.A.S.C. Program | 0 | | | | | |
| 3101 | Animal Control | 455,000 | | 455,000 | | | |
| 3101 | Sick Leave Conversion | | | | | | |
| 3101 | Non-Departmental (Fund 01) | 1,607,267 | 432,211 | 1,175,056 | | | |
| 3101 | Indirect Cost | 0 | | | | | |
| | Merits | | | | | | |
| Total General Fund | | 152,050,805 | 105,839,789 | 46,075,824 | 135,192 | 1,300 | 242 |

(5,500,000) Transfer In from Bridge/Public Bldg Fund
146,550,805

Special Revenue Funds

| | | | | | | | |
|------|------------------------------------|-------------------|------------------|------------------|----------------|-----------|-----------|
| | | 0 | | | | | |
| 1303 | Board of Equalization - State | 5,225,341 | 4,002,266 | 1,093,075 | 130,000 | 45 | 23 |
| 6303 | Family Court / Grant | 750,000 | | 750,000 | | | |
| 1401 | Tax Assessor-Birmingham State | 2,666,359 | 2,227,630 | 438,729 | | 27 | 7 |
| 1411 | Tax Assessor-Bessemer State | 1,661,270 | 1,509,350 | 133,602 | 18,318 | 14 | 10 |
| 3200 | Office of Senior Citizens / Grants | 3,349,143 | 624,512 | 2,724,631 | | | |
| 3101 | Road Tax Distribution | 0 | | - | | | |
| 3101 | Shares Tax | 0 | | | | | |
| | Decrease Fund Balance | 0 | | | | | |
| | | 13,652,113 | 8,363,758 | 5,140,037 | 148,318 | 86 | 40 |

(1,652,970) draw down on State funds
11,999,143

School Warrant Fund (11)

| | | | | | | | |
|----------------------------------|------------------------|-------------------|----------|-------------------|----------|----------|----------|
| 6801 | Finance/Administration | 94,000,000 | | 94,000,000 | | | |
| Total School Warrant Fund | | 94,000,000 | - | 94,000,000 | - | - | - |

Road Fund (13)

| | | | | | | | |
|------------------------|-------------------------------|-------------------|-------------------|------------------|----------|------------|-----------|
| 5100 | Highway - Administration | 974,595 | 796,796 | 177,799 | | 5 | 3 |
| 5200 | Highway - Design | 0 | | | | | |
| 5300 | Highway - Right of Way | 826,948 | 594,878 | 232,070 | | 7 | - |
| 5400 | Highway - Engineering & Const | 2,221,541 | 1,988,240 | 233,301 | | 23 | 4 |
| 5450 | Highway - Bridge Maint Const | 0 | | | | | |
| 5500 | Highway - Maint. / Bessemer | 5,226,290 | 3,710,580 | 1,515,710 | | 54 | 14 |
| 5600 | Highway - Maint. / Ketona | 6,371,958 | 3,317,329 | 3,054,629 | | 52 | 9 |
| 5700 | Highway - Traffic Engineering | 2,438,758 | 1,744,558 | 694,200 | | 23 | 2 |
| | Decrease Road Fund Balance | | | | | | |
| | Merits | | | | | | |
| Total Road Fund | | 18,060,090 | 12,152,381 | 5,907,709 | - | 164 | 32 |

(1,469,090) Draw down on Road funds
16,591,000

| Org. No. | Organization Name | Adopted Expenses FY2014 | Components of FY2014 Department Budgets | | | | |
|----------|-------------------|-------------------------|---|-----------|-------------------|--------------------------|------------------|
| | | | Salary w/2% COLA | Operating | Capital Equipment | 8-19-13 Filled Positions | Vacant Positions |

Bridge and Public Bldg Fund (15)

| | | | | | | | |
|--|------------------------------------|--------------|----------|----------|----------|----------|----------|
| | Ad Valorem | 42,000,000 | | | | | |
| | Transfer Out to Debt Service | (24,541,000) | | | | | |
| | Transfer Out to Capital | (11,959,000) | | | | | |
| | Transfer Out to General Fund Legal | (5,500,000) | | | | | |
| Total Bridge and Public Bldg Fund | | 0 | 0 | 0 | 0 | 0 | 0 |

Community Development (17)

| | | | | | | | |
|---|-----------------------|------------------|----------------|------------------|----------|-----------|----------|
| 2000 | Community Development | 2,284,625 | 839,347 | 1,445,278 | | 13 | 2 |
| | MERITS | 0 | | | | | |
| Total Community Development Fund | | 2,284,625 | 839,347 | 1,445,278 | 0 | 13 | 2 |

Community Development (18)

| | | | | | | | |
|---|-----------------------|------------------|------------------|------------------|----------|-----------|----------|
| 2020 | Workforce Development | 5,490,985 | 1,137,666 | 4,353,319 | | 15 | 4 |
| | MERITS | 0 | | | | | |
| Total Community Development Fund | | 5,490,985 | 1,137,666 | 4,353,319 | 0 | 15 | 4 |

Community Development Home Program (62)

| | | | | | | | |
|---------------------------|-----------------------------|----------------|----------------|----------------|----------|----------|----------|
| 2030 | Community Dev. Home Program | 663,262 | 100,238 | 563,024 | | 1 | |
| 3101 | Non-departmental | | | | | | |
| Total Home Program | | 663,262 | 100,238 | 563,024 | 0 | 1 | 0 |

Total Special Revenue Funds

| | | | | | |
|--------------------|-------------------|--------------------|----------------|------------|-----------|
| 134,151,075 | 22,593,390 | 111,409,367 | 148,318 | 193 | 38 |
|--------------------|-------------------|--------------------|----------------|------------|-----------|

Capital Funds

Capital Projects Fund (21)

| | | | | | | | |
|------------------------------------|---------------------------------|-------------------|----------|----------|-------------------|----------|----------|
| 1300 | Board of Equalization - Bham. | 500,000 | | | 500,000 | | |
| 1401 | Tax Assessor - Birmingham State | 1,105,000 | | | 1,105,000 | | |
| 1411 | Tax Assessor - Bessemer State | 415,500 | | | 415,500 | | |
| 1501 | Tax Collector Bham | 300,000 | | | 300,000 | | |
| 2401 | General Services | 4,311,000 | | | 4,311,000 | | |
| 2403 | General Services - Elections | 289,000 | | | 289,000 | | |
| 2607 | Fleet Management | 0 | | | | | |
| 1100 | Revenue | 1,300,000 | | | 1,300,000 | | |
| 2200 | IT | 3,610,000 | | | 3,610,000 | | |
| 2230 | IT Communication | 250,000 | | | 250,000 | | |
| 2301 | IT-E911 | 2,000,000 | | | 2,000,000 | | |
| 4101 | Sheriff | 2,050,000 | | | 2,050,000 | | |
| 5100 | Roads | 4,899,000 | | | 4,899,000 | | |
| 3101 | Library | 101,000 | | | 101,000 | | |
| Total Capital Projects Fund | | 21,130,500 | 0 | 0 | 21,130,500 | 0 | 0 |

(11,959,000) Transfer In from Bridge/Public Bldg Fund

(7,151,000) Draw on Capital Fund Balance

(2,020,500) Draw on Mapping/Appraisal Fund Bal

0

Capital Road Improvements Fund (22)

| | | | | | | | |
|-------------------------------------|---|------------------|----------|------------------|----------|----------|----------|
| 5100 | Roads & Transportation | 4,341,574 | | 4,341,574 | | | |
| | Bess/Ketona Camps equip | | | | | | |
| | Transfer in from Bridge & Pub Bldg Fund | | | | | | |
| Total Road Improvements Fund | | 4,341,574 | 0 | 4,341,574 | 0 | 0 | 0 |

(3,341,574) Draw on Capital fund Balance

1,000,000

TOTAL CAPITAL FUNDS

| | | | | | |
|-------------------|----------|------------------|-------------------|----------|----------|
| 25,472,074 | 0 | 4,341,574 | 21,130,500 | 0 | 0 |
|-------------------|----------|------------------|-------------------|----------|----------|

| Org. No. | Organization Name | Components of FY2014 Department Budgets | | | | | |
|----------|-------------------|---|------------------|-----------|-------------------|--------------------------|------------------|
| | | Adopted Expenses FY2014 | Salary w/2% COLA | Operating | Capital Equipment | 8-19-13 Filled Positions | Vacant Positions |

Enterprise Funds

Cooper Green Hospital Fund (12/31)

| | | | | | | | |
|---|--------------------------------|-------------------|-------------------|-------------------|----------|------------|-----------|
| 8500 | Cooper Green Hospital | 39,776,783 | 15,925,835 | 23,850,948 | | 220 | 36 |
| 3101 | Non-departmental/Indirect Cost | 7,466,428 | | 7,466,428 | | | |
| 8500 | Indigent Care Funds | | | | | | |
| Total Cooper Green Hospital Fund | | 47,243,211 | 15,925,835 | 31,317,376 | 0 | 220 | 36 |

Landfill Fund (33)

| | | | | | | | |
|----------------------------|--------------------------------|----------------|----------|----------------|----------|----------|----------|
| 7501 | Landfill | 100,000 | | 100,000 | - | - | - |
| 7501 | Interest | | | | | | |
| 3101 | Increase Landfill Fund Balance | | | | | | |
| | Non-departmental | | | | | | |
| Total Landfill Fund | | 100,000 | 0 | 100,000 | 0 | 0 | 0 |

Sanitary Fund (34)

| | | | | | | | |
|----------------------------|---------------------------|-------------------|-------------------|-------------------|------------------|------------|-----------|
| 6805 | Finance - Sewer Services | 6,109,172 | 837,745 | 5,271,427 | - | 12 | 3 |
| 7100 | Sanitation Administration | 16,982,732 | 3,512,932 | 13,411,800 | 58,000 | 39 | 9 |
| 7200 | Sanitation - Eng. & Const | 10,538,017 | 7,441,237 | 2,706,780 | 390,000 | 112 | 24 |
| 7300 | Sanitation - WWT Plants | 29,311,798 | 12,943,702 | 15,793,496 | 574,600 | 195 | 26 |
| 7400 | Sanitation - Barton Lab | 2,125,168 | 1,481,568 | 617,600 | 26,000 | 19 | 2 |
| 3101 | Non-departmental | 7,052,379 | | 7,052,379 | | | |
| 7319 | Capital | 5,350,000 | | | 5,350,000 | | |
| 7100 | Debt Service | 0 | | | | | |
| | Decrease ESD Fund Balance | | | | | | |
| | MERITS | | | | | | |
| Total Sanitary Fund | | 77,469,266 | 26,217,184 | 44,853,482 | 6,398,600 | 377 | 64 |

TOTAL ENTERPRISE FUNDS

| | | | | | |
|-------------|------------|------------|-----------|-----|-----|
| 124,812,477 | 42,143,019 | 76,270,858 | 6,398,600 | 597 | 100 |
|-------------|------------|------------|-----------|-----|-----|

Trust and Agency Funds

Emergency Management Fund (63)

| | | | | | | | |
|-----------------------|------------------------------|------------------|----------------|----------------|----------|----------|----------|
| 4500 | Emergency Management Agency | 1,484,312 | 822,840 | 661,472 | - | 8 | 2 |
| 4550 | JCC Disaster Recovery - FEMA | 0 | | | | | |
| 4560 | EMA Disaster Recover - FEMA | 0 | | | | | |
| 3101 | Non-departmental | 197,000 | | 197,000 | | | |
| | Decrease EMA Fund Balance | | | | | | |
| | MERITS | | | | | | |
| Total EMA Fund | | 1,681,312 | 822,840 | 858,472 | 0 | 8 | 2 |

Pension Fund (71)

| | | | | | | | |
|---------------------------------|------------------|----------------|----------------|----------|----------|----------|----------|
| 1800 | Pension Board | 658,866 | 658,866 | - | - | 7 | 3 |
| 3101 | Non-departmental | 0 | | | | | |
| | MERITS | | | | | | |
| Total Pension Board Fund | | 658,866 | 658,866 | 0 | 0 | 7 | 3 |

TOTAL TRUST AND AGENCY FUNDS

| | | | | | |
|-----------|-----------|---------|---|----|---|
| 2,340,178 | 1,481,706 | 858,472 | 0 | 15 | 5 |
|-----------|-----------|---------|---|----|---|

Debt Service Fund (95)

| | | | | | | | |
|--------------------------------|--------------|-------------------|----------|-------------------|----------|----------|----------|
| 3101 | Debt Service | 24,541,000 | | 24,541,000 | | | |
| Total Debt Service Fund | | 24,541,000 | 0 | 24,541,000 | 0 | 0 | 0 |

(24,541,000) Transfer In from Bridge/Public Fund
0

GRAND TOTAL ALL FUNDS

| | | | | | |
|-------------|-------------|-------------|------------|-------|-----|
| 463,367,609 | 172,057,904 | 263,497,095 | 27,812,610 | 2,105 | 385 |
|-------------|-------------|-------------|------------|-------|-----|

[THIS PAGE INTENTIONALLY LEFT BLANK]

APPENDIX M

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]



MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

Form 500NY (5/90)



Printed by: ImageMaster
www.ImageMaster.com

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

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

AFFIDAVIT OF SERVICE

I, Karen M. Wagner, a non-attorney, certify that on November 8, 2013, I caused to be served the following documents via First-Class Mail on the service lists attached hereto as Exhibit A:

- Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated November 6, 2013) [Docket No. 2182]
- Notice of Plan Modifications and Hearing Thereon [Docket No. 2184]

Dated: November 8, 2013

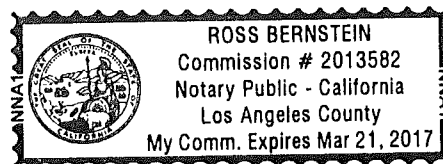
By: Karen M. Wagner
Kurtzman Carson Consultants LLC
Claims and Noticing Agent
2335 Alaska Avenue
El Segundo, CA 90245
Telephone: (310) 823-9000

State of California, County of Los Angeles

Subscribed and sworn to before me on November 8, 2013, by Karen M. Wagner, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: [Signature]
Notary Public



C.387



110573613110800000000003

EXHIBIT A

Exhibit A
Contract Parties - First-Class Mail

| NameID | CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|----------|--|--|--------------------------------------|---------------------------------|----------------|-------|------------|
| 11685110 | 3M | | 575 West Murray Boulevard | | Murray | UT | 84123-0000 |
| 11685111 | AAA Solutions, Inc. | | PO Box 170215 | | Birmingham | AL | 35217-0000 |
| 11685112 | Abbott Laboratories Inc. | | 100 Abbott Park Road D-943 | AP8C | Abbott Park | IL | 60064-6095 |
| 11685113 | Alabama Department of Transportation | | 1020 Bankhead Highway West | PO Box 2745 | Birmingham | AL | 35202-0000 |
| 11685114 | Alabama Institute for Deaf and Blind | | PO Box 698 | | Talladega | AL | 35161-0698 |
| 11685115 | Alabama Power Company | | 600 North 18th Street | 35-1635 | Birmingham | AL | 35203-0000 |
| 11685116 | Alagasco | | 605 Richard Arrington | | Birmingham | AL | 35203-0000 |
| 11685117 | Almon Associates | | 2008 12th Street | | Tuscaloosa | AL | 35403-0000 |
| 11685118 | American Cadastre LLC (AmCad) | | 220 Spring Street, Suite 150 | | Herndon | VA | 20170-0000 |
| 11685192 | American Tower Management, LLC | Attn Contracts Manager | 10 Presidential Way | | Woburn | MA | 01801-0000 |
| 11685119 | AT&T | | 3196 Hwy 280 E | | Birmingham | AL | 35243-0000 |
| 11685120 | Azteca System Inc. | | 11075 South State St #24 | | Sandy | UT | 84070-0000 |
| 11685121 | Azteca Systems Inc. | | 11075 South State St #24 | | Sandy | UT | 84070-0000 |
| 11685122 | Balch & Bingham LLP | | 1901 Sixth Avenue North, Suite 1500 | | Birmingham | AL | 35203-0000 |
| 11685123 | Board of Education of Jefferson County | | 2100 18th Street South | | Birmingham | AL | 35209-0000 |
| 11685124 | Braswell Mccalla Properties LLC | | PO Box 248 | | Warrior | AL | 35180-0000 |
| 11685125 | CH2M Hill | | 2112 Eleventh Avenue South Suite 320 | | Birmingham | AL | 35205-0000 |
| 10615412 | Charles E. Wilson, David Harris, III, and Mike Agnesia, et al. | c/o Lee R. Benton | 2019 3rd Avenue North | | Birmingham | AL | 35203-0000 |
| 11685193 | City of Adamsville | Attn City Clerk | 4828 Main Street | | Adamsville | AL | 35005-0000 |
| 11003274 | CITY OF BESSEMER | TAVANEKA TURNER | 1800 3RD AVE N | | BESSEMER | AL | 35020-0000 |
| 11685126 | City of Bessemer, Alabama d/b/a Bessemer Water Service | Attn Mayor | 1600 1st Avenue North | | Bessemer | AL | 35021-0000 |
| 11685127 | City of Bessemer, Alabama d/b/a Bessemer Water Service | Attn R. Shan Paden | Paden & Coleman | 1813 3rd Avenue North Suite 200 | Bessemer | AL | 35020-0000 |
| 10908000 | City of Birmingham | | Room T- 100 | 710 20TH ST N | BIRMINGHAM | AL | 35203-0000 |
| 11685128 | City of Center Point | | PO Box 9847 | | Center Point | AL | 35220-0000 |
| 11685129 | City of Fairfield | Attn Mayor | 4701 Gary Avenue | | Fairfield | AL | 35064-0000 |
| 11685130 | City of Fultondale | Attn Mayor | Post Office Box 699 | | Fultondale | AL | 35068-0000 |
| 11685131 | City of Gardendale | Attn Mayor | 960 Main Street | | Gardendale | AL | 35071-0000 |
| 11685132 | City of Graysville | Attn Mayor | 246 South Main Street | | Graysville | AL | 35073-0000 |
| 11685133 | City of Homewood | Attn Mayor | 2850 19th Street South | | Homewood | AL | 35209-0000 |
| 11685134 | City of Hoover | Attn Mayor | 100 Municipal Lane | | Hoover | AL | 35216-0000 |
| 10974754 | City of Hoover, Alabama | Attention Robert Yeager, Director of Finance | 100 Municipal Lane | | Hoover | AL | 35244-0000 |
| 11003308 | City of Hueytown | Janice Wilhite, City Clerk | Hueytown City Hall | 1318 Hueytown Road | Hueytown | AL | 35023-0000 |
| 11685135 | City of Hueytown | Attn Mayor | 1318 Hueytown Road | | Hueytown | AL | 35023-0000 |
| 11003308 | City of Hueytown | Janice Wilhite, City Clerk | Hueytown City Hall | 1318 Hueytown Road | Hueytown | AL | 35023-0000 |
| 11685136 | City of Irondale | Attn Mayor | 101 20th Street South | | Irondale | AL | 35210-0000 |
| 11685137 | City of Irondale, Alabama | Attn Mayor | PO Box 100188 | | Irondale | AL | 35210-0000 |
| 11685194 | City of Irondale, Alabama | Attn Greg Morris | PO Box 100188 | | Irondale | AL | 35210-0000 |
| 11685138 | City of Midfield | Attn Mayor | 725 Bessemer Superhighway | | Midfield | AL | 35228-0000 |
| 11685139 | City of Mountain Brook | Attn Mayor | 56 Church Street | | Mountain Brook | AL | 35213-0000 |

Exhibit A
Contract Parties - First-Class Mail

| NameID | CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|----------|--|-------------------------------------|---|-----------------------------------|----------------|-------|------------|
| 11685140 | City of Mountain Brook | | PO Box 130009 | | Mountain Brook | AL | 35213-0000 |
| 11685141 | City of Pleasant Grove | Attn Mayor | 501 Park Road | | Pleasant Grove | AL | 35127-0000 |
| 11685142 | City of Pleasant Grove | | 501 Park Road | | Pleasant Grove | AL | 35127-0000 |
| 11685143 | City of Trussville | Attn Mayor | 131 Main Street | | Trussville | AL | 35173-0000 |
| 11685144 | City of Trussville | Attn Mayor | PO Box 159 | | Trussville | AL | 35173-0000 |
| 11685145 | City of Vestavia Hills | Attn Mayor | 513 Montgomery Hwy | | Vestavia Hills | AL | 35216-0000 |
| 11685146 | City of Vestavia Hills | | PO Box 660854 | | Vestavia | AL | 35266-0000 |
| 11685147 | City of Warrior | Attn Mayor | 215 Main Street | | Warrior | AL | 35180-0000 |
| 11685148 | City of Warrior | | 215 Main Street | | Warrior | AL | 35180-0000 |
| 11685149 | Civil Engineering Associates (CE Associates) | | 5229 Airport Hwy | | Birmingham | AL | 35212-0000 |
| 11685150 | Corner Community Park Association | | 1992 Mayfield Road | | Warrior | AL | 35180-0000 |
| 11685151 | Cox Landscaping | | 6208 Lupre Circle | | Birmingham | AL | 35111-0000 |
| 11685152 | Crown Castle South, LLC | | 200 Corporate Drive | | Canonsburg | PA | 15317-0000 |
| 11685153 | Davlin, LLC | | 305 Misty Water Drive | | Columbiana | AL | 35051-0000 |
| 11685154 | Donald Mulvehill, Licensee | | 8224 Mulvehill Road | | Morris | AL | 35116-0000 |
| 11685155 | Enersolv Corporation | | 2220 Beltline Road SW | PO Box 1646 | Decatur | AL | 35601-0000 |
| 11685156 | Engineering Service Associates, Inc. | | Two Perimeter Park South 160 East | | Birmingham | AL | 35243-0000 |
| 11685157 | Engineering Services Associates, Inc. | | 2 Perimeter Park South, Suite 160 East | | Birmingham | AL | 35243-0000 |
| 11685158 | Engineers of the South, LLC | | 2025 First Avenue North | Suite 100 | Birmingham | AL | 35203-0000 |
| 11685158 | E-ring Inc. | | 6703 Odyssey Drive NW | Suite 104 | Huntsville | AL | 35806-0000 |
| 11685159 | ERS Group | c/o Janet R. Thornton, Ph.D. | 4901 Tower Court | | Tallahassee | FL | 32303-0000 |
| 11685160 | Fisher Health Care | Thermo Fisher | Financial Services | 81 Wyman Street | Waltham | MA | 02454-0000 |
| 11685161 | Gary L. Owen and Associates, Inc. | | 510 Emery Drive West | | Hoover | AL | 35244-0000 |
| 11685162 | Gresham Smith and Partners | | 3595 Grandview Parkway Suite 300 | | Birmingham | AL | 35243-0000 |
| 11685163 | Haren Construction Company, Inc. | | 1715 Highway 411 North | PO Box 350 | Etowah | TN | 37331-0000 |
| 11685164 | Hatch McDonald | | 2320 Highland Avenue South | Ste 175 | Birmingham | AL | 35233-0000 |
| 11685165 | Hazen and Sawyer, P.C. | | 5775 Peachtree Dunwoody Rd. | Suite D-520 | Atlanta | GA | 30342-0000 |
| 11685195 | Holders of Lease Revenue Warrants, Series 2006 | Attn Dean Matthews | First Commercial Bank | P.O. Box 11746 | Birmingham | AL | 35202-0000 |
| 11685166 | Holders of Limited Obligation School Warrants, Series 2004-A | Charles S. Hodges Vice President | U.S. Bank Corporate Trust Services | 214 North Tryon Street 27th Floor | Charlotte | NC | 28202-0000 |
| 11685167 | Holders of Limited Obligation School Warrants, Series 2005-A | Charles S. Hodges Vice President | U.S. Bank Corporate Trust Services | 214 North Tryon Street 27th Floor | Charlotte | NC | 28202-0000 |
| 11685168 | Huynh Centerpoint, LLC | | 1411 Legacy Lane | | Birmingham | AL | 35242-0000 |
| 11685169 | Insituform Technologies, Inc. | | 17988 Edison Avenue | | Chesterfield | MO | 63005-0000 |
| 11685170 | Intersystem Corporation | | One Memorial Drive | | Cambridge | MA | 02142-0000 |
| 11003317 | Jefferson County Board of Education | Attn Whit Colvin | Bishop, Colvin, Johnson & Kent, LLC | 1910 First Avenue North | Birmingham | AL | 35203-0000 |
| 11003318 | Jefferson County Board of Education | Jefferson County Board of Education | Attn Superintendent Phillip B. Hammonds | 2100 18th Street South | Birmingham | AL | 35209-0000 |
| 11685171 | Jefferson County Board of Education | | 2100 18th Street South | | Birmingham | AL | 35209-0000 |
| 11003317 | Jefferson County Board of Education | Attn Whit Colvin | Bishop, Colvin, Johnson & Kent, LLC | 1910 First Avenue North | Birmingham | AL | 35203-0000 |

Exhibit A
Contract Parties - First-Class Mail

| NameID | CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|----------|--|---|------------------------------------|-------------------------|---------------|-------|------------|
| 11003318 | Jefferson County Board of Education | Attn Superintendent Phillip B. Hammonds | 2100 18th Street South | | Birmingham | AL | 35209-0000 |
| 11685172 | Jordan Excavating, Inc. | | 740 Volare Drive | | Birmingham | AL | 35244-0000 |
| 11685191 | Lions Den Club, Inc. | | 3116 Hillcrest Trace | | Adamsville | AL | 35005-0000 |
| 11691316 | Longmeadow, LLC | c/o Guy V. Martin, Jr. | #2 Metroplex Dr., Ste. 102 | | Birmingham | AL | 35209-0000 |
| 11685189 | Morris and Dickson Co, LLC | | 1776 Woodstead Court | Suite 125 | The Woodlands | TX | 77380-0000 |
| 11685173 | P.F. Moon & Company, Inc. | | PO Box 346 | | West Point | GA | 31833-0000 |
| 11685174 | Schneider Electric | | 30000 Mill Creek Avenue | Ste 300 | Alpharetta | GA | 30022-0000 |
| 11685196 | Southern Communications Services, Inc. | Attn Manager of Operations | 600 North 18th Street | | Birmingham | AL | 35203-0000 |
| 11685190 | The City of Birmingham | | 710 North 20th Street | 2nd Floor City Hall | Birmingham | AL | 35203-0000 |
| 11685175 | The Hollywood, LLC | | 3104 Blue Lake Drive | Suite 200 | Birmingham | AL | 35243-0000 |
| 11685176 | Thermo Fisher Financial Services, Inc. | | 81 Wyman Street | | Waltham | MA | 02454-0000 |
| 11685177 | Thompson Architecture | | 1314 Cobb Lane | | Birmingham | AL | 35205-0000 |
| 11685178 | Town of Morris | Attn Mayor | 8304 Stouts Rd | | Morris | AL | 35116-0000 |
| 11685179 | Town of Mulga | Attn Mayor | 505 Mulga Loop Road | | Mulga | AL | 35118-0000 |
| 11685180 | Unisys | | 11720 Plaza America Drive | Tower 3 Mailstop 13-537 | Reston | VA | 20190-0000 |
| 10566071 | Unisys Corporation | c/o Dana S. Plon, Esquire | 123 South Broad Street, Suite 2100 | | Philadelphia | PA | 19109-0000 |
| 11685181 | University of AL | Care of Mentally Ill | 619 19th Street South | UAB MEB 300 | Birmingham | AL | 35294-0000 |
| 11685197 | Utilities Board of the City of Trussville, Alabama | Attn Burgin H. Kent | Bishop Colvin Johnson & Kent | 1910 First Avenue North | Birmingham | AL | 35203-0000 |
| 11685198 | Utilities Board of the City of Trussville, Alabama | Attn Carl Johnson | Bishop Colvin Johnson & Kent | 1910 First Avenue North | Birmingham | AL | 35203-0000 |
| 11685199 | Utilities Board of the City of Trussville, Alabama | Attn General Manager | PO Box 819 | | Trussville | AL | 35173-0000 |
| 11685182 | Veolia ES Solid Waste Southeast, Inc. | | 3301 Acmar Road | | Moody | AL | 35004-0000 |
| 11685183 | Vision Landscapes, Inc. | | PO Box 101324 | | Irondale | AL | 35210-0000 |
| 11685184 | W. H. Capital, LLC | | 5986 Financial Drive | | Norcross | GA | 30071-0000 |
| 11685200 | Water Works Board of the City of Birmingham, Alabama | Attn Mac Underwood | 3600 First Avenue North | | Birmingham | AL | 35283-0110 |
| 10170959 | Xerox Corporation | Attn Vanessa Adams | 1301 Ridgeview Dr - 450 | | Lewisville | TX | 75057-0000 |
| 11685185 | Xerox Corporation | | 1000 Urban Center Drive, Suite 600 | | Birmingham | AL | 35242-0000 |
| 10170959 | Xerox Corporation | Attn Vanessa Adams | 1301 Ridgeview Dr - 450 | | Lewisville | TX | 75057-0000 |
| 11685186 | YWCA | | 309 North 23rd Street | | Birmingham | AL | 35203-0000 |

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

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

AFFIDAVIT OF SERVICE

I, Karen M. Wagner, a non-attorney, certify that on November 6, 2013, I caused to be served the following documents via E-Mail upon the service list attached hereto as Exhibit A and via First-Class Mail on the service lists attached hereto as Exhibit B:

- Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated November 6, 2013) [Docket No. 2182]
- Motion for Approval Pursuant to the Confirmation Order of Compromise and Settlements and Related Relief with Respect to the Chapter 9 Plan of Adjustment for Jefferson County, Alabama [Docket No. 2183]
- Notice of Plan Modifications and Hearing Thereon [Docket No. 2184]

Dated: November 6, 2013

By: 
Kurtzman Carson Consultants LLC
Claims and Noticing Agent
2335 Alaska Avenue
El Segundo, CA 90245
Telephone: (310) 823-9000

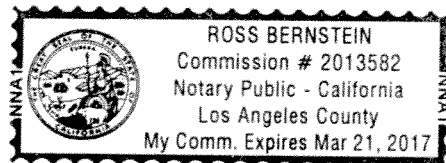
State of California, County of Los Angeles

Subscribed and sworn to before me on November 6, 2013, by Karen M. Wagner, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: _____

Notary Public



C.388



110573613110600000000006

EXHIBIT A

Exhibit A
Master Service List - E-Mail

| Name | Notice Name | Address1 | Address2 | Address3 | City | State | Zip | E-Mail |
|--|---|--|---|---|------------|-------|------------|--|
| Bankruptcy Administrator for the Northern District of Alabama (Birmingham) | Office of the Bankruptcy Administrator | c/o J. Thomas Corbett, Esq. | United States Bankruptcy Court | 1800 5th Ave. North | Birmingham | AL | 35203 | thomas_corbett@alnb.uscourts.gov |
| Jefferson County Special Counsel | J.F. "Foster" Clark, Esq. | Balch & Bingham, LLP | 1901 6th Avenue North | 2600 AmSouth Harbert Plaza | Birmingham | AL | 35203-4644 | fcclark@balch.com ; |
| Jefferson County Special Counsel | J. Hobson Presley, Jr. | Balch & Bingham, LLP | 1901 6th Avenue North | | Birmingham | AL | 35223-2483 | hpresley@balch.com ; |
| Ad Hoc Committee | Tanner Guin & Crowell LLC | Justin G Williams | 2711 University Blvd | | Tuscaloosa | AL | 35401-1465 | williams@tannerquincrowell.com |
| Ad Hoc Committee Sewer Warranholders | Tanner Guin & Crowell LLC | Justin G Williams | 2711 University Blvd | | Tuscaloosa | AL | 35401-1465 | williams@tannerquincrowell.com |
| Ad Hoc Sewer Warranholders | Thomas M Mayer Greogry Horowitz Elan Daniels Amy Caton | Kramer Levin Naftalis and Frankel LLP | 1177 Avenue of the Americas | | New York | NY | 10036 | tmayer@kramerlevin.com ; ghorowitz@kramerlevin.com ; edaniels@kramerlevin.com ; acaton@kramerlevin.com ; iwagner@kramerlevin.com ; |
| Alabama Department of Environmental Management | c/o Tom Johnston General Counsel | 1400 Coliseum Blvd. | | | Montgomery | AL | 36110 | tj@adem.state.al.us ; daf@adem.state.al.us ; |
| All Temps Systems, Inc. | c/o Andre M. Toffel | Andre M. Toffel, P.C. | 600 North, 20 th Street | Suite 300 | Birmingham | AL | 35203 | atoffel@toffel.com ; |
| Ambac Assurance Corporation | c/o Charles L. Denaburg | Najjar Denaburg, P.C. | 2125 Morris Avenue | | Birmingham | AL | 35203 | cdenaburg@najjar.com ; |
| Ambac Assurance Corporation | c/o Gregory Andrew Kopacz | McDermott Will & Emery LLP | 340 Madison Avenue | | New York | NY | 10173-1922 | gkopacz@mwe.com ; |
| Ambac Assurance Corporation | Miles W. Hughes, William P. Smith, Robert A. Dall Asta, Greg Kopacz | McDermott Will & Emery LLP | 227 West Monroe Street | | Chicago | IL | 60606 | mwhughes@mwe.com ; wsmith@mwe.com ; |
| AMCAD | | 15867 North Mountain Road | | | Broadway | VA | 22815 | rdallasta@mwe.com ; gkopacz@mwe.com ; |
| AMSOL | Taylor English Duma LLP | John K Rezac | 1600 Parkwood Circle Suite 400 | | Atlanta | GA | 30339 | irezac@taylorengh.com ; |
| Andrew Bennett Riderick Royal et al | c o Calvin B Grigsby | 2406 Saddleback Drive | | | Danville | CA | 94506 | cgrigsby@grigsbyinc.com ; |
| Appellant Carmella Macon | Appeal No. 1101270 in the Supreme Court of Alabama | Lynn Tillotson Pinker & Cox LLP | Edward Jason Dennis Samuel B Hardy IV | 2100 Ross Avenue Suite 2700 | Dallas | TX | 75201 | jdennis@lynnllp.com ; shardy@lynnllp.com ; |
| Appellant Carmella Macon | Appeal No. 1101270 in the Supreme Court of Alabama | c/o Matthew Weathers | Weathers Law Firm, LLC | P.O. Box 1826 | Birmingham | AL | 35201 | mweathers@gmail.com ; |
| Appellant William Casey | Appeal No. 1101361 in Supreme Court of Alabama | Lynn Tillotson Pinker & Cox LLP | Edward Jason Dennis Samuel B Hardy IV | 2100 Ross Avenue Suite 2700 | Dallas | TX | 75201 | jdennis@lynnllp.com ; shardy@lynnllp.com ; |
| Appellant William Casey | Appeal No. 1101361 in Supreme Court of Alabama | c/o Matthew Weathers | Weathers Law Firm, LLC | P.O. Box 1826 | Birmingham | AL | 35201 | mweathers@gmail.com ; |
| Assured Guaranty Municipal Corp. | c/o Chadbourne & Parke LLP | Lawrence A. Larose, Samuel S. Kohn | 30 Rockefeller Plaza | | New York | NY | 110112 | llarose@chadbourne.com ; skohn@chadbourne.com ; |
| Assured Guaranty Municipal Corp. | c/o Winston & Strawn LLP | Lawrence A. Larose, Samuel S. Kohn, Sarah L. Trum George Mastoris Carrie V Hardman | 200 Park Avenue | | New York | NY | 10166-4193 | llarose@winston.com ; skohn@winston.com ; |
| Assured Guaranty Municipal Corp. | c/o Mark P. Williams | Norman, Wood, Kendrick & Turner | 505 20 th Street North | Financial Center – Suite 1600 | Birmingham | AL | 35203 | mpwilliams@nwkt.com ; |
| B.A.S. L.L.P. | c/o Salem Resha, Jr. | The Resha Firm | 1516 20 th Street South, Suite A | | Birmingham | AL | 35205 | sresha@reshafirm.com ; |
| Bank of America, N.A. | c/o David L. Eades Daniel G. Clodfelter David S. Walls | Moore & Van Allen, PLLC | 100 North Tryon Street, Suite 4700 | | Charlotte | NC | 28202-4003 | davideades@mvalaw.com ; |
| Bank of America, N.A. | c/o Joe A. Joseph Clifton C. Mosteller Cathleen Curran Moore | Burr & Forman LLP | 420 North 20 th Street, Suite 3400 | | Birmingham | AL | 35203 | jjoseph@burr.com ; cmostell@burr.com ; |
| Bayerische Landesbank | c/o Edward A. Smith | Venable | 1270 Avenue of the Americas 25th Fl | Rockefeller Center | New York | NY | 10020 | eamsmith@venable.com ; |
| Bayern LB | c/o Edward A. Smith | Venable | 1270 Avenue of the Americas 25th Fl | Rockefeller Center | New York | NY | 10020 | eamsmith@venable.com ; |
| Bayern LB | c/o Joseph Campagna VP | 560 Lexington Avenue | | | New York | NY | 10022 | icampagna@bayernlbny.com ; |
| BBA Development, LLC | c/o Amanda M. Beckett | Burr & Forman LLP | 420 North 20 th Street, Suite 3400 | | Birmingham | AL | 35203 | abeckett@burr.com ; |
| Beckman Coulter, Inc. | c/o Kirk B. Burkley | Bernstein Law Firm, P.C. | Suite 2200 Gulf Tower | | Pittsburgh | PA | 15219-1900 | kburkley@bernsteinlaw.com ; |
| Beers Properties, LLC | c/o W.L. Longshore, III | Longshore, Buck & Longshore, P.C. | 2009 Second Avenue North | | Birmingham | AL | 35203 | billy3@longshorebuck.com ; |
| Bill George | c/o Jon C. Goldfarb Daniel Arciniegas L. William Smith | Wiggins, Childs, Quinn & Pantazis, LLC | 301 19 th Street North | The Kress Bldg | Birmingham | AL | 35203 | wsmith@wcqp.com ; |
| Blue Ridge Investments, LLC | Affiliate of Bank of America, N.A. | c/o Cathleen Curran Moore | Burr & Forman LLP | 420 North 20 th Street, Suite 3400 | Birmingham | AL | 35203 | cmoore@burr.com ; |
| Blue Ridge Investments, LLC | Affiliate of Bank of America, N.A. | David L Eades, Daniel G. Clodfelter, David S. Walls | Moore & Van Allen, PLLC | 100 North Tryon Street, Suite 4700 | Charlotte | NC | 28202-4003 | davideades@mvalaw.com ; |
| BNSF Railway Company | c/o James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20 th Street North | 1600 Wells Fargo Tower | Birmingham | AL | 35203 | jwhite@bakerdonelson.com ; |
| Charles E Wilson David Harris III and Mike Agnesia et al | c/o Joshua L Firth | Hollis Wright Clay & Vail | 505 North 20th Street Suite 1500 | | Birmingham | AL | 35203 | joshf@hollis-wright.com |
| Charles E Wilson David Harris III and Mike Agnesia et al | c/o Lee R. Benton & Jamie A. Wilson On behalf of all similarly situated persons in Breece, et al v. Jefferson County Tax Collector | Benton & Centeno, LLP | 2019 Third Avenue North | | Birmingham | AL | 35203 | lbenton@bcattys.com ; jwilson@bcattys.com ; |
| Charlotte Breece & Lillie Starks | c/o Michael M. Fiegel Assistant City Attorney | c/o Lee Wendell Loder | Loder, P.C. | P.O. Box 13545 | Birmingham | AL | 35202 | loderlawfirm@aol.com ; |
| City of Birmingham | c/o Michael M. Fiegel Assistant City Attorney | Legal Dept. | 710 20 th Street North | | Birmingham | AL | 35203 | mike.fiegel@ci.birmingham.al.us ; |

Exhibit A
Master Service List - E-Mail

| Name | Notice Name | Address1 | Address2 | Address3 | City | State | Zip | E-Mail |
|--|---|---|---|--|-------------|-------|------------|---|
| City of Birmingham, Alabama | c/o U.W. Clemon | White Arnold & Dowd P.C. | 2025 Third Avenue North, Suite 500 | | Birmingham | AL | 35203 | uwclemon@waadlaw.com |
| City of Center Point, Alabama | c/o Robert C. Keller | Russo, White & Keller, P.C. | 315 Gadsden Highway, Suite D | | Birmingham | AL | 35235 | rjlawoff@bellsouth.net |
| City of Hoover | Leslie M Klasing April B Danielson | Waldrup Stewart and Kendrick LLC | 2323 Second Avenue North | | Birmingham | AL | 35203 | klasing@wskllc.com ; adanielson@wskllc.com |
| City of Midfield, Alabama | c/o David A. Sullivan | 1728 3 rd Avenue North | Suite 400D | | Birmingham | AL | 35203 | dasnicole@bellsouth.net |
| Collette Funderburg | c/o Michael J. Antonio, Jr. | Greystone Legal Clinic | 2516 11 th Avenue North | | Birmingham | AL | 35234 | mant003@aol.com |
| CSX Transportation, Inc. | c/o James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20 th Street North | 1600 Wells Fargo Tower | Birmingham | AL | 35203 | jwhite@bakerdonelson.com |
| David Swanson | c/o Henry J. Walker | Walker Law Firm | 2330 Highland Ave. | | Birmingham | AL | 35205 | henrywalker@bellsouth.net |
| Delores W. Frost | c/o W.L. Longshore, III | Longshore, Buck & Longshore, P.C. | 2009 Second Avenue North | | Birmingham | AL | 35203-3703 | billy3@longshorebuck.com |
| Depfa Bank PLC | c/o Israel David and Gary L Kaplan | Fried Frank Harris Shriver & Jacobson LLP | One New York Plaza | | New York | NY | 10004 | israel.david@friedfrank.com |
| Elevator Maintenance and Repair, Inc. | c/o Charles N. Parnell, III | Parnell & Crum, P.A. | P.O. Box 2189 | | Montgomery | AL | 36102-2180 | gary.kaplan@friedfrank.com |
| Environmental Protection Agency | US Department of Justice | c/o Bill Weinischke | 601 D Street NW Room 6028 | Patrick Henry Bldg | Washington | DC | 20004 | bill.weinischke@usdoj.gov |
| Environmental Protection Agency | William Bush and Brad Ammons | 61 Forsyth Street, SW | Atlanta Federal Center | | Atlanta | GA | 30303-3104 | bush.william@epamail.epa.gov |
| Financial Guaranty Insurance Company | Robert K. Spotswood Michael T. Sansbury Emily J. Tidmore Grace L. Kipp | Spotswood Sansom & Sansbury LLC | 1819 Fifth Avenue North Suite 1050 | One Federal Place | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| Financial Guaranty Insurance Company | c/o H. Slayton Dabney, Jr. | Dabney, PLLC | 303 Grande Court | | Richmond | VA | 23229 | ammons.brad@epamail.epa.gov |
| Financial Guaranty Insurance Company | c/o William H. Patrick, III Tristan E. Manthey Cherie Dessauer Nobles | Heller, Draper, Patrick & Horn, L.L.C. | 650 Poydras Street, Suite 2500 | | New Orleans | LA | 70130-6103 | ammons.brad@epamail.epa.gov |
| First Commercial Bank As Indenture Trustee | Alston & Bird LLP | David A Wender | 1201 West Peachtree Street | | Atlanta | GA | 30309 | ammons.brad@epamail.epa.gov |
| First Commercial Bank As Indenture Trustee | David B. Anderson, Deanna L. Weidner | Anderson Weidner, LLC | 505 20 th Street North | Financial Center, Suite 1450 | Birmingham | AL | 35203-4635 | ammons.brad@epamail.epa.gov |
| Fraternal Order of Police Lodge 64 | Robert Thompson, Aubrey Finley and William D. McAnally et al. on behalf of the Employees of the Jefferson County Sheriff's Office | c/o Raymond P. Fitzpatrick | 1929 Third Avenue North | | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| Gene J. Gonsoulin | c/o A. Wilson Webb | Webb Law Firm | 4416 Linpark Drive | | Birmingham | AL | 35222 | ammons.brad@epamail.epa.gov |
| Innovation Depot, successor-in-interest to Entrepreneurial Center, Creditor | c/o Russell M. Cunningham, IV | Cunningham Firm, LLC | 2100 First Avenue North | Landmark Center, Suite 600 | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| Internal Revenue Service | co Kenya Bufford | 801 Tom Martin Drive | MS 126 | | Birmingham | AL | 35211 | ammons.brad@epamail.epa.gov |
| James Pruitt | c/o Cynthia Forman Wilkinson, Esq. Larry R. Mann, Esq. | Wilkinson Law Firm, PC | 215 N. Richard Arrington, Jr. Blvd., Ste. 811 | | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| James R. Crane | c/o Steven D. Altmann Charles L. Denaburg Marvin E. Franklin | Najjar Denaburg, P.C. | 2125 Morris Avenue | | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| James R. Crane | c/o Sydney Gibbs Ballesteros | Gibbs & Bruns, LLP | 1100 Louisiana, Suite 5300 | | Houston | TX | 77002 | ammons.brad@epamail.epa.gov |
| Jefferson County Board of Education | c/o Whit Colvin | Bishop, Colvin, Johnson & Kent, LLC | 1910 First Avenue North | | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| Jefferson County Personnel Board | c/o Lee R. Benton & Jamie A. Wilson | Benton & Centeno, LLP | 2019 3 rd Avenue North | | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| Jefferson County, Alabama | Boies Schiller & Flexner LLP | George Carpinello | 10 North Peart Street 4th Floor | | Albany | NY | 12207 | ammons.brad@epamail.epa.gov |
| Jeffrey Weissman, D.D.S., Jeffrey Weissman, D.D.S., P.C., Keith Shannon | Individually and as Class Representatives | c/o Brian R. Walding | WALDING, LLC | 505 20 th Street North, Suite 620 | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| Jeffrey Weissman, D.D.S., Jeffrey Weissman, D.D.S., P.C., Keith Shannon | Individually and as Class Representatives | c/o Wilson F. Green | Fleenor & Green, LLP | 204 Marina Drive, Ste. 200 | Tuscaloosa | AL | 35406 | ammons.brad@epamail.epa.gov |
| John A. Vos Esq., Interested Party | c/o John A. Vos, Esq. | 1430 Lincoln Avenue | | | San Rafael | CA | 94901 | ammons.brad@epamail.epa.gov |
| John Madison, IV, inmates and others similarly situated at the Jefferson County Jail | c/o H. Doug Redd | 5343 Old Springville Road | | | Pinson | AL | 35126 | ammons.brad@epamail.epa.gov |
| John Mason, IV | Dan C. King, III | Stewart & Stewart, P.C. | 1826 3 rd Avenue North Suite 300 | | Bessemer | AL | 35020 | ammons.brad@epamail.epa.gov |
| JPMorgan Chase Bank | c/o Steve M. Fuhrman, Ian Dattner, Mary Beth Forshaw, Elisha David Graff, Thomas C. Rice, William T Russell Jr | Simpson Thacher & Bartlett LLP | 425 Lexington Avenue | | New York | NY | 10017 | ammons.brad@epamail.epa.gov |
| JPMorgan Chase Bank, as Liquidity Agent | c/o Steve Fuhrman | Simpson Thacher & Bartlett LLP | 425 Lexington Avenue | | New York | NY | 10017 | ammons.brad@epamail.epa.gov |
| JPMorgan Chase Bank, N.A. | Johnston Barton Proctor & Rose, LLP | c/o Lindan J. Hill | 569 Brookwood Village, Suite 901 | | Birmingham | AL | 35209 | ammons.brad@epamail.epa.gov |
| JPMorgan Securities Inc | JPMorgan Chase Bank, N.A. | Clark R Hammond | Johnston Barton Proctor & Rose, LLP | 569 Brookwood Village, Suite 901 | Birmingham | AL | 35209 | ammons.brad@epamail.epa.gov |
| Lara Swindle | c/o Ann C. Robertson H. Wallace Blizzard | Wiggins, Childs, Quinn & Pantazis, LLC | 301 Nineteenth Street North | The Kress Building | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| Lehman Brothers Special Financing, Inc. | c/o James C. Huckaby Daniel D. Sparks Bradley R. Hightower | Christian & Small | 505 20 th Street North, Suite 1800 | | Birmingham | AL | 35203 | ammons.brad@epamail.epa.gov |
| Lloyds TSB Bank PLC | c/o Ann E. Acker James E Spiotto | Chapman and Cutler, LLP | 111 W. Monroe St. | | Chicago | IL | 60603 | ammons.brad@epamail.epa.gov |
| Lloyds TSB Bank PLC | c/o Laura E. Appleby | Chapman and Cutler LLP | 330 Madison Ave. 34th Fl | | New York | NY | 10017 | ammons.brad@epamail.epa.gov |
| Lloyds TSB Bank PLC | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205 | ammons.brad@epamail.epa.gov |

Exhibit A
Master Service List - E-Mail

| Name | Notice Name | Address1 | Address2 | Address3 | City | State | Zip | E-Mail |
|---|---|--|--|-----------------------------------|---------------|-------|------------|---|
| Luther Strange, Esq. | Attorney General | State of Alabama | 501 Washington Avenue | | Montgomery | AL | 36130 | lstrange@ago.state.al.us ; omartin@ago.state.al.us ; |
| Medical Data Systems Inc. | c/o Bryan G. Hale | Starnes Davis Florie LLP | 100 Brookwood Place, 7 th Floor | | Birmingham | AL | 35209 | bgh@starneslaw.com ; |
| Mike Hale, in his official capacity as Sheriff of Jefferson County, Alabama | c/o Robert R. Riley Keith Jackson Jay Murrill | Riley & Jackson, P.C. | 1744 Oxmoor Road | | Birmingham | AL | 35209 | jay@rileyjacksonlaw.com ; |
| Monster Energy Company | Solomon Ward Seidenwurm & Smith LLP | Michael D Breslauer | 401 B Street Suite 1200 | | San Diego | CA | 92101 | mbreslauer@swsslaw.com ; wynes@swsslaw.com ; |
| Moore Oil Company | c/o Brenton K. Morris | Benton & Centeno, LLP | 2019 Third Avenue North | | Birmingham | AL | 35203 | bmorris@bcattys.com ; |
| National Public Finance Guarantee Corp. | c/o Amy Edgy Ferber | Jones Day | 1420 Peachtree Street, N.E. | Suite 800 | Atlanta | GA | 30309-3053 | aeferber@jonesday.com ; |
| National Public Finance Guarantee Corp. | c/o Benjamin S. Goldman | Hand Arendall LLC | 2001 Park Place North | 1200 Park Place Tower | Birmingham | AL | 35203 | bgoldman@handarendall.com ; |
| National Public Finance Guarantee Corp. | c/o Corinne Ball | Jones Day | 222 East 41st St | | New York | NY | 10017-6702 | cball@jonesday.com ; |
| National Public Finance Guarantee Corp. | Jennifer S Morgan | Hand Arendall LLC | 30200 RSA Tower | PO Box 123 | Mobile | AL | 36601 | jmorgan@handarendall.com ; |
| National Public Finance Guarantee Corp. | c/o Mark A. Cody | Jones Day | 77 West Wacker | | Chicago | IL | 60601-1676 | macody@jonesday.com |
| Office of the Governor State of Alabama | David Perry Finance Director | 600 Dexter Avenue | State Capitol Room N 104 | | Montgomery | AL | 36130 | david.perry@governor.alabama.gov ; |
| Owens & Minor, Inc. | c/o Robert S. Westermann & Sheila deLa Cruz | Hirschler Fleischer, P.C. | P.O. Box 500 | | Richmond | VA | 23218-0500 | rwestermann@hf-law.com ; sdelacruz@hf-law.com |
| Receiver for County's Sewer System | John S. Young, Jr. LLC, as Receiver | c/o Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. | Joe A. Conner | 633 Chestnut Street | Chattanooga | TN | 37450 | jconner@bakerdonelson.com ; |
| Receiver for County's Sewer System | John S. Young, Jr. LLC, as Receiver | c/o Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. | Timothy M. Lupinacci, W. Patton Hahn Max A. Moseley Daniel J Ferretti Bill D Bensinger | 1600 Wells Fargo Tower | Birmingham | AL | 35203 | tlupinacci@bakerdonelson.com ; |
| Regions Bank | c/o Jayna Partain Lamar J. Leland Murphree | Maynard Cooper & Gale, P.C. | 1901 6th Avenue North | AmSouth/Harbert Plaza, Suite 2400 | Birmingham | AL | 35203-2618 | phahn@bakerdonelson.com ; |
| Regions Bank, as Trustee | c/o Brian P. Hall | Smith, Gambrell & Russell, LLP | 1230 Peachtree Street, N.E. | Promenade II, Suite 3100 | Atlanta | GA | 30309-3592 | moseley@bakerdonelson.com ; |
| Societe Generale | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205 | dferretti@bakerdonelson.com ; |
| Societe Generale | Jack Rose Christopher Blackwell Dan Schulman | Ashurst LLP | 7 Times Square | Times Square Tower | New York | NY | 10036 | bbensinger@bakerdonelson.com ; |
| Societe Generale | c/o Mark J. Fiekers Joyce T. Gorman | Ashurst LLP | 1875 K Street N.W., Suite 750 | | Washington | DC | 20006 | jlamar@maynardcooper.com ; |
| State of Alabama Department of Finance | c/o Rachel L. Webber, Jerry C. Olshue, Jr., Kristopher D. Sodergren, Robin E. Pate | Rosen Harwood, P.A. | 2200 Jack Warner Parkway, Suite 200 | P.O. Box 2727 | Tuscaloosa | AL | 35403-2727 | lmurphree@maynardcooper.com ; |
| State of Alabama Office of Governor | Anne Elizabeth McGowin Legal Advisor | 600 Dexter Avenue | State Capitol, Room NB 05 | | Montgomery | AL | 36130 | bhall@sgrlaw.com ; |
| State Street Bank and Trust Company | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205 | dwright@sirote.com ; |
| State Street Bank and Trust Company | c/o William W. Kannel & Adrienne K. Walker | Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. | One Financial Center | | Boston | MA | 02111-0000 | sporterfield@sirote.com ; |
| Syncora Guarantee, Inc. | c/o Quinn Emanuel Urquhart & Sullivan, LLP | c/o Jonathan E. Pickhardt, Jake M. Shields, Susheel Kirpalani, Daniel Holzman, Eric Kay, Robert S Loigman, Xochitl Strohhahn | 51 Madison Avenue, 22 nd Floor | | New York | NY | 10010 | wkannel@mintz.com ; |
| Syncora Guarantee, Inc. | c/o Matthew Scheck | Quinn Emanuel Urquhart & Sullivan, LLP | 865 South Figueroa Street, 10 th Floor | | Los Angeles | CA | 90017 | jonpickhardt@quinnemanuel.com ; |
| Syncora Guarantee, Inc. | c/o Richard P. Carmody Henry E. Simpson Lawrence J. McDuff Russell J. Rutherford David K. Bowsher Daniel J Newton | Adams and Reese LLP | 1901 6th Avenue North Suite 3000 | | Birmingham | AL | 35203 | jakeshields@quinnemanuel.com ; |
| The Bank of New York Mellon | c/o Debra L Felder | Orrick, Herrington & Sutcliffe LLP | 1152 15th Street NW | Columbia Center | Washington | DC | 20005-1706 | sushellkirpalani@quinnemanuel.com ; |
| The Bank of New York Mellon | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205 | danielholzman@quinnemanuel.com ; |
| The Bank of New York Mellon | c/o Thomas C. Mitchell | Orrick, Herrington & Sutcliffe LLP | 405 Howard Street | The Orrick Building | San Francisco | CA | 94105-2669 | erickay@quinnemanuel.com ; |
| The Bank of New York Mellon, as Indenture Trustee | c/o Bridget M. Schessler | The Bank of New York Mellon Trust Company, N.A. | 525 William Penn Place, 7 th Floor | | Pittsburgh | PA | 15259 | robertloigman@quinnemanuel.com ; |
| The Bank of New York Mellon, as Indenture Trustee | Gerald F Mace Michael R Paslay David E Lemke | Ryan K Cochran Paul S Davidson | Waller Lansden Dortch & Davis, LLP | 511 Union Street, Suite 2700 | Nashville | TN | 37219 | xochitlstrohahn@quinnemanuel.com ; |
| | | | | | | | | gerald.mace@wallerlaw.com ; |
| | | | | | | | | mike.paslay@wallerlaw.com ; |
| | | | | | | | | david.lemke@waller.com ; |
| | | | | | | | | ryan.cochran@waller.com ; |
| | | | | | | | | paul.davidson@wallerlaw.com |

Exhibit A
Master Service List - E-Mail

| Name | Notice Name | Address1 | Address2 | Address3 | City | State | Zip | E-Mail |
|--|--|---|--|----------------------------|--------------|-------|------------|--|
| The Bank of New York Mellon, as Indenture Trustee | Larry Childs, Esq., Brian J. Malcom, Esq., Heath A. Fite, Esq. | Waller Lansden Dortch & Davis, LLP | 1901 Sixth Avenue North, Suite 1400 | Regions Harbert Plaza | Birmingham | AL | 35203 | Larry.childs@wallerlaw.com ; brian.malcom@wallerlaw.com ; heath.fite@wallerlaw.com ; |
| The Bank of Nova Scotia | c/o Ann E. Acker James E Spiotto | Chapman and Cutler, LLP | 111 W. Monroe St. | | Chicago | IL | 60603 | acker@chapman.com ; spiotto@chapman.com ; |
| The Bank of Nova Scotia | c/o Laura E. Appleby | Chapman and Cutler LLP | 330 Madison Ave. 34th Fl | | New York | NY | 10017 | appleby@chapman.com ; |
| The Bank of Nova Scotia | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205 | dwright@sirote.com ; sporterfield@sirote.com ; |
| The Depository Trust & Clearing Corporation a Party in Interest | c/o Adam T Berkowitz Lawrence S. Elbaum | Proskauer Rose LLP | Eleven Time Square | | New York | NY | 10036-8299 | aberkowitz@proskauer.com ; elbaum@proskauer.com ; |
| The Depository Trust Company, on behalf of the holders of the Jefferson County, Alabama, General Obligation Capital Improvement Warrants, Series 2003-A and 2004-A | Proskauer Rose LLP | Lawrence S Elbaum | Eleven Time Square | | New York | NY | 10036-8299 | elbaum@proskauer.com ; |
| The Securities and Exchange Commission | Attention: Morgan Bradylyons, Senior Counsel | SEC Headquarters | 100 F Street, NE | | Washington | DC | 20549-9040 | bradylyonsm@sec.gov ; |
| U.S. Bank National Association, in its capacity as Indenture Trustee | c/o Clark T. Whitmore Keshia L. Tanabe | Maslon Edleman Borman & Brand, LLP | 90 South Seventh Street | 3300 Wells Fargo Center | Minneapolis | MN | 55402-4140 | clark.whitmore@maslon.com ; keshia.tanabe@maslon.com ; |
| U.S. Bank National Association, in its capacity as Indenture Trustee | c/o Charles R. Johanson III | Engel, Hairston, & Johanson, P.C. | 4 th Floor, 109 20 th Street (35203) | P.O. Box 11405 | Birmingham | AL | 35202 | rjohanson@ehjlaw.com ; felicia.cannon@usbank.com ; |
| U.S. Bank, National Association, as Paying Agent | | 2204 Lakeshore Drive Suite 302 | Mail Code: EX-AL-WWPH | | Homewood | AL | 35209 | steve.hodges@usbank.com ; |
| U.S. Pipe and Foundry Company, LLC | c/o Jeffrey B. McClellan, Esq. | 1200 Abernathy Road, NE | Suite 1200 | | Atlanta | GA | 30328 | jmcclellan@muellerwp.com ; |
| U.S. Securities and Exchange Commission | Office of Reorganization | Atlanta Regional Office | 950 East Paces Ferry Road, N.E., Suite 900 | | Atlanta | GA | 30326-1382 | atloreorg@sec.gov ; |
| UAB Health System | c/o Kathleen Kauffman Legal Counsel | 500 22 nd Street South, Suite 408 | | | Birmingham | AL | 35233 | kkauffman@uasystem.ua.edu ; |
| Unisys Corporation | c/o Dana S. Plon, Esq. | Sirlin Gallogly & Lesser, P.C. | 123 South Broad Street, Suite 2100 | | Philadelphia | PA | 19109 | dplon@sirlinlaw.com ; |
| Universal Hospital Services, Inc. | c/o James E. Bailey, III | Butler, Snow, O'Mara, Stevens & Cannada, PLLC | 6075 Poplar Avenue, Suite 500 | | Memphis | TN | 38119 | ieb.bailey@butlersnow.com ; |
| University of Alabama Health Services Foundation, P.C. | Stephen B Porterfield | Sirote & Permut PC | 2311 Highland Avenue South | | Birmingham | AL | 35205 | sporterfield@sirote.com ; |
| Vekesha Hawes | c/o Tyrone Townsend | P.O. Box 2105 | | | Birmingham | AL | 35205 | ttown1@msn.com ; |
| W.C. Rice Oil Company, Inc. | c/o James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20 th Street North | 1600 Wells Fargo Tower | Birmingham | AL | 35203 | jwhite@bakerdonelson.com ; eschaffer@reedsmith.com ; |
| Wells Fargo Bank, National Association as Indenture Trustee | Eric A. Schaffer, Luke A. Sizemore, Mike C. Buckley | Reed Smith LLP | 225 Fifth Ave., Suite 1200 | | Pittsburgh | PA | 15230-2009 | lsizemore@reedsmith.com ; mbuckley@reedsmith.com ; |
| Wells Fargo Bank, National Association, Indenture Trustee | c/o Russell M. Cunningham, IV | Cunningham Firm, LLC | 2100 First Avenue North | Landmark Center, Suite 600 | Birmingham | AL | 35203 | russell@cunninghamfirmllc.com ; |
| Wendell Major | Public Employee of Jefferson County Alabama | 3775 Gillespie Road | | | Dolomite | AL | 35061 | majorpd@charter.net ; wmm5007@gmail.com ; |

EXHIBIT B

Exhibit B
Master Service List - First-Class Mail

| CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|-----------------------------------|-------------------------------|--|---------------------|------------|-------|------------|
| AMT Medical Staffing, Inc. | | 2 20 th Street North | Suite 1360 | Birmingham | AL | 35203-0000 |
| Augmentation, Inc. | | 3415 Independence Drive, Suite 101 | | Birmingham | AL | 35209-8315 |
| Brice Building Co., LLC | | 201 Sunbelt Parkway | | Birmingham | AL | 35211-0000 |
| John Plott Company Inc. | | 2804 Rice Mine Road NE | | Tuscaloosa | AL | 35406-0000 |
| Laboratory Corporation of America | Attention: Legal Department | 430 South Spring Street | | Burlington | NC | 27215-0000 |
| Morris & Dickson Co LLC | | 410 Kay Lane | | Shreveport | LA | 71115-0000 |
| Shoe Station, Inc. | Attn: Michael T. Cronin, Esq. | Johnson Pope Bokor Ruppel & Burns, LLP | 911 Chestnut Street | Clearwater | FL | 33576-0000 |
| Teklinks Inc. | | 201 Summit Parkway | | Homewood | AL | 35209-0000 |

Exhibit B
Plan Objecting Parties - First-Class Mail

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|------------------------------------|---|-----------------------------|----------------------------------|------------|--------------|-------|-------|
| Betty J. Rodman | | 341 Sun Valley Circle | | | Center Point | AL | 35215 |
| Charlotte Breece and Lillie Starks | c/o Lee Wendell Loder | Loder, P.C. | P.O. Box 13545 | | Birmingham | AL | 35202 |
| Frances E. Weems | | P.O. Box 320863 | | | Birmingham | AL | 35232 |
| Gary L. Owen, P.E. | c/o Gary L. Owen | 510 Emery Drive West | | | Hoover | AL | 35244 |
| Lucille Crawford | | 1012 4th CT W | | | Birmingham | AL | 35204 |
| P.F. Moon and Company, Inc. | c/o John M. Mastin, Jr. & Charles Surasky Esq | Smith, Currie & Hancock LLP | 245 Peachtree Center Ave., NE | Suite 2700 | Atlanta | GA | 30303 |

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

| | | |
|--|---|-------------------------------|
| In re: |) | |
| |) | |
| JEFFERSON COUNTY, ALABAMA, |) | Case No. 11-05736-TBB9 |
| a political subdivision of the State of |) | |
| Alabama, |) | Chapter 9 |
| |) | |
| Debtor. |) | |

CERTIFICATE OF SERVICE

I hereby certify that on October 31, 2013, a copy of the *Order Continuing Confirmation Hearing and Extending Related Deadlines* [Docket No. 2169] was served upon the parties identified on the attached service list by the means specified therein.

Respectfully submitted this the 31st day of October, 2013.

By: /s/ James B. Bailey
BRADLEY ARANT BOULT CUMMINGS LLP
James B. Bailey
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Telephone: (205) 521-8000
Facsimile: (205) 521-8500
Email: jbailey@babco.com

One of the Attorneys for Jefferson County, Alabama

C.389



MASTER SERVICE LIST

VIA E-MAIL:

| | |
|---|--|
| Jefferson County, Alabama c/o Patrick Darby c/o Jay Bender Bradley Arant Boulton Cummings LLP 1819 Fifth Avenue North Birmingham, AL 35203 pdarby@babbc.com jbender@babbc.com | Jefferson County Special Counsel J.F. "Foster" Clark, Esq. Balch & Bingham, LLP 1901 6th Avenue North 2600 AmSouth Harbert Plaza Birmingham, AL 35203-4644 fclark@balch.com |
| Jefferson County, Alabama c/o Kenneth Klee c/o Lee Bogdanoff c/o Robert J. Pfister c/o Whitman L. Holt c/o Samuel M. Kidder Klee, Tuchin, Bogdanoff & Stern, LLP 1999 Avenue of the Stars, Thirty-Ninth Floor Los Angeles, CA 90067-5061 kklee@ktbslaw.com lbogdanoff@ktbslaw.com rpfister@ktbslaw.com skidder@ktbslaw.com | Jefferson County Special Counsel J. Hobson Presley, Jr. Balch & Bingham LLP 1901 Sixth Avenue North Suite 1500 Birmingham, Alabama 35203-4642 hpresley@balch.com |
| The Bank of New York Mellon, as Indenture Trustee c/o Gerald F. Mace c/o Michael R. Paslay c/o David E. Lemke, Esq. c/o Ryan K. Cochran, Esq. c/o Paul S. Davidson Waller Lansden Dortch & Davis, LLP 511 Union Street, Suite 2700 Nashville, TN 37219 Gerald.Mace@wallerlaw.com Mike.Paslay@wallerlaw.com David.Lemke@wallerlaw.com Ryan.Cochran@wallerlaw.com Paul.Davidson@wallerlaw.com | Bankruptcy Administrator for the Northern District of Alabama (Birmingham) Office of the Bankruptcy Administrator c/o J. Thomas Corbett, Esq. United States Bankruptcy Court Robert S. Vance Federal Building 1800 5th Ave. North Birmingham AL 35203 Thomas_Corbett@alnb.uscourts.gov |

| | |
|---|--|
| <p>The Bank of New York Mellon, as Indenture Trustee c/o Bridget M. Schessler The Bank of New York Mellon Trust Company, N.A. 525 William Penn Place, 7th Floor Pittsburgh, PA 15259 bridget.schessler@bnymellon.com</p> | <p>The Bank of New York Mellon, as Indenture Trustee c/o Larry Childs, Esq. c/o Brian J. Malcom, Esq. c/o Heath A. Fite, Esq. Waller Lansden Dortch & Davis, LLP Regions Harbert Plaza 1901 Sixth Avenue North, Suite 1400 Birmingham, AL 35203 Larry.Childs@wallerlaw.com Brian.Malcom@wallerlaw.com Heath.Fite@wallerlaw.com</p> |
| <p>The Bank of New York Mellon c/o Debra L. Felder Orrick, Herrington, & Sutcliffe LLP Columbia Center 1152 15th Street, N.W. Washington, D.C. 20005-1706 dfelder@orrick.com</p> | <p>JPMorgan Chase Bank, as Liquidity Agent c/o Steve Fuhrman Simpson Thacher & Bartlett LLP 425 Lexington Avenue New York, New York 10017 sfuhrman@stblaw.com</p> |
| <p>U.S. Bank, National Association, as Paying Agent 2204 Lakeshore Drive Suite 302 Mail Code: EX-AL-WWPH Homewood, AL 35209 felicia.cannon@usbank.com steve.hodges@usbank.com</p> | <p>The Bank of New York Mellon c/o Thomas C. Mitchell Orrick, Herrington & Sutcliffe LLP The Orrick Building 405 Howard Street San Francisco, CA 94105-2669 tcmitchell@orrick.com</p> |
| <p>Bank of America, N.A. c/o David L. Eades c/o Daniel G. Clodfelter c/o David S. Walls Moore & Van Allen, PLLC 100 North Tryon Street, Suite 4700 Charlotte, NC 28202-4003 davideades@mvalaw.com danclofelter@mvalaw.com davidwalls@mvalaw.com</p> | <p>The Bank of New York Mellon Sirote & Permut, P.C. c/o Stephen B. Porterfield c/o Donald Wright 2311 Highland Avenue South Birmingham, AL 35205 sporterfield@sirote.com dwright@sirote.com</p> |

| | |
|--|--|
| <p>Blue Ridge Investments, LLC Affiliate of Bank of America, N.A. c/o David L Eades c/o Daniel G. Clodfelter c/o David S. Walls Moore & Van Allen, PLLC 100 North Tryon Street, Suite 4700 Charlotte, NC 28202-4003 davideades@mvalaw.com danclofelter@mvalaw.com davidwalls@mvalaw.com</p> | <p>Blue Ridge Investments, LLC Affiliate of Bank of America, N.A. c/o Cathleen Curran Moore Burr & Forman LLP 420 North 20th Street, Suite 3400 Birmingham, AL 35203 cmoore@burr.com</p> |
| <p>Bank of America, N.A. c/o Joe A. Joseph c/o Clifton C. Mosteller c/o Cathleen Curran Moore Burr & Forman LLP 420 North 20th Street, Suite 3400 Birmingham, AL 35203 jjoseph@burr.com cmostell@burr.com cmoore@burr.com</p> | <p>JPMorgan Chase Bank c/o Steve M. Fuhrman, Esq. c/o Mary Beth Forshaw c/o Elisha David Graff c/o Thomas C. Rice c/o William T. Russell, Jr. Simpson Thacher & Bartlett LLP 425 Lexington Avenue New York, NY 10017 sfuhrman@stblaw.com mforshaw@stblaw.com egraff@stblaw.com trice@stblaw.com wrussell@stblaw.com</p> |
| <p>State Street Bank and Trust Company c/o William W. Kannel c/o Adrienne K. Walker Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. One Financial Center Boston, MA 02111 wkannel@mintz.com awalker@mintz.com</p> | <p>Regions Bank c/o Jayna Partain Lamar c/o J. Leland Murphree Maynard Cooper & Gale, P.C. AmSouth/Harbert Plaza, Suite 2400 1901 6th Avenue North Birmingham, AL 35203-2618 jlamar@maynardcooper.com lmurphree@maynardcooper.com</p> |
| <p>State Street Bank and Trust Company Sirote & Permut, P.C. c/o Stephen B. Porterfield c/o Donald Wright 2311 Highland Avenue South Birmingham, AL 35205 sporterfield@sirote.com dwright@sirote.com</p> | <p>Regions Bank, as Trustee c/o Brian P. Hall Smith, Gambrell & Russell, LLP Promenade II, Suite 3100 1230 Peachtree Street, N.E. Atlanta, Georgia 30309-3592 bhall@sgrlaw.com</p> |

| | |
|--|---|
| <p>Societe Generale c/o Mark J. Fiekers c/o Joyce T. Gorman Ashurst LLP 1875 K Street N.W., Suite 750 Washington, DC 20006 mark.fiekers@ashurst.com joyce.gorman@ashurst.com</p> | <p>Financial Guaranty Insurance Company c/o William H. Patrick, III c/o Tristan E. Manthey c/o Cherie Dessauer Nobles Heller, Draper, Patrick & Horn, L.L.C. 650 Poydras Street, Suite 2500 New Orleans, Louisiana 70130-6103 wpatrick@hellerdraper.com tmanthey@hellerdraper.com cnobles@hellerdraper.com</p> |
| <p>Financial Guaranty Insurance Company c/o Robert K. Spotswood c/o Michael T. Sansbury c/o Emily J. Tidmore c/o Grace L. Kipp Spotswood Sansom & Sansbury LLC One Federal Place 1819 Fifth Avenue North Suite 1050 Birmingham, Alabama 35203 rks@spotswoodllc.com msansbury@spotswoodllc.com etidmore@spotswoodllc.com gkipp@spotswoodllc.com</p> | <p>Financial Guaranty Insurance Company c/o H. Slayton Dabney, Jr. Dabney, PLLC 303 Grande Court Richmond, Virginia 23229 sdabney@dabneypllc.com</p> |
| <p>Assured Guaranty Municipal Corp. c/o Chadbourne & Parke, LLP Lawrence A. Larose, Esq. Samuel S. Kohn, Esq. 30 Rockefeller Plaza New York, NY 10112 llarose@chadbourne.com skohn@chadbourne.com</p> | <p>Receiver for County's Sewer System John S. Young, Jr. LLC, as Receiver c/o Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. Timothy M. Lupinacci, Esq. W. Patton Hahn, Esq. Daniel J. Ferretti, Esq. Bill D. Bensinger, Esq. 1600 Wells Fargo Tower Birmingham, AL 35203 tlupinacci@bakerdonelson.com phahn@bakerdonelson.com dferretti@bakerdonelson.com bbensinger@bakerdonelson.com</p> |

| | |
|--|--|
| <p>Assured Guaranty Municipal Corp. c/o Mark P. Williams Norman, Wood, Kendrick & Turner Financial Center – Suite 1600 505 20th Street North Birmingham, AL 35203 mpwilliams@nwkt.com</p> | <p>Receiver for County’s Sewer System John S. Young, Jr. LLC, as Receiver c/o Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. Joe A. Conner 1800 Republic Centre 633 Chestnut Street Chattanooga, TN 37450 jconner@bakerdonelson.com</p> |
| <p>Syncora Guarantee, Inc. c/o Quinn Emanuel Urquhart & Sullivan, LLP c/o Jonathan E. Pickhardt c/o Jake M. Shields c/o Susheel Kirpalani c/o Daniel Holzman c/o Eric Kay c/o Robert S. Loigman c/o Xochitl Strohbeh 51 Madison Avenue, 22nd Floor New York, NY 10010 jonpickhardt@quinnemanuel.com jakeshields@quinnemanuel.com susheelkirpalani@quinnemanuel.com danielholzman@quinnemanuel.com erickay@quinnemanuel.com robertloigman@quinnemanuel.com xochitlstrohbeh@quinnemanuel.com</p> | <p>Jefferson County Personnel Board c/o Lee R. Benton c/o Jamie A. Wilson Benton & Centeno, LLP 2019 3rd Avenue North Birmingham, AL 35203 lbenton@bcattys.com jwilson@bcattys.com</p> |
| <p>Bayern LB c/o Edward A. Smith Venable Rockefeller Center 1270 Avenue of the Americas Twenty-fifth Floor New York, NY 10020 EASmith@Venable.com</p> | <p>Bayern LB c/o Joseph Campagna Vice President 560 Lexington Avenue New York, New York 10022 jcampagna@bayernlbny.com</p> |

| | |
|---|--|
| <p>Societe Generale c/o Christopher Blackwell c/o Dan Schulman Ashurst LLP Times Square Tower 7 Times Square New York, NY 10036 Christopher.Blackwell@ashurst.com Dan.Schulman@ashurst.com</p> | <p>Ambac Assurance Corporation c/o Charles L. Denaburg Najjar Denaburg, P.C. 2125 Morris Avenue Birmingham, AL 35203 cdenaburg@najjar.com</p> |
| <p>Jeffrey Weissman, D.D.S. Jeffrey Weissman, D.D.S., P.C. Keith Shannon Individually and as Class Representatives c/o Wilson F. Green Fleenor & Green, LLP 204 Marina Drive, Ste. 200 Tuscaloosa, AL 35406 wgreen@fleenorgreen.com</p> | <p>Ambac Assurance Corporation c/o Miles W. Hughes c/o William P. Smith c/o Robert A. Dall'Asta c/o Greg Kopacz McDermott Will & Emery LLP 227 West Monroe Street Chicago, Illinois 60606 mwhughes@mwe.com wsmith@mwe.com rdallasta@mwe.com gkopacz@mwe.com</p> |
| <p>Jeffrey Weissman, D.D.S. Jeffrey Weissman, D.D.S., P.C. Keith Shannon Individually and as Class Representatives c/o Brian R. Walding WALDING, LLC 505 20th Street North, Suite 620 Birmingham, AL 35203 bwalding@waldinglaw.com</p> | <p>Ambac Assurance Corporation c/o Gregory Andrew Kopacz McDermott Will & Emery LLP 340 Madison Avenue New York, New York 10173-1922 gkopacz@mwe.com</p> |
| <p>City of Birmingham c/o Michael M. Fliegel Assistant City Attorney Legal Dept. 710 20th Street North Birmingham, AL 35203 Mike.Fliegel@ci.birmingham.al.us</p> | <p>J.P. Morgan Securities, Inc. JPMorgan Chase Bank, N.A. c/o Clark R. Hammond Johnston Barton Proctor & Rose, LLP 569 Brookwood Village, Suite 901 Birmingham, AL 35209 crh@johnstonbarton.com</p> |

| | |
|---|---|
| <p>Societe Generale c/o Donald M. Wright c/o Stephen B. Porterfield Sirote & Permutt, P.C. 2311 Highland Avenue South Birmingham, AL 35205 dwright@sirote.com sporterfield@sirote.com</p> | <p>JPMorgan Chase Bank, N.A. c/o Lindan J. Hill Johnston Barton Proctor & Rose, LLP 569 Brookwood Village, Suite 901 Birmingham, AL 35209 lhill@johnstonbarton.com</p> |
| <p>National Public Finance Guarantee Corp. c/o Benjamin S. Goldman Hand Arendall LLC 1200 Park Place Tower 2001 Park Place North Birmingham, AL 35203 bgoldman@handarendall.com</p> | <p>Anne Elizabeth McGowin, Esq. Legal Advisor Office of the Governor State of Alabama State Capitol, Room NB-05 600 Dexter Avenue Montgomery, AL 36130 anneelizabeth.mcgowin@finance.alabama.gov</p> |
| <p>National Public Finance Guarantee Corp. c/o Mark A. Cody Jones Day 77 West Wacker Chicago, IL 60601-1676 macody@jonesday.com</p> | <p>City of Center Point, Alabama c/o Robert C. Keller Russo, White & Keller, P.C. 315 Gadsden Highway, Suite D Birmingham, AL 35235 rjlawoff@bellsouth.net</p> |
| <p>Syncora Guarantee, Inc. c/o Matthew Scheck Quinn Emanuel Urquhart & Sullivan, LLP 865 South Figueroa Street, 10th Floor Los Angeles, CA 90017 matthewscheck@quinnemanuel.com</p> | <p>Syncora Guarantee, Inc. c/o Richard P. Carmody c/o Lawrence J. McDuff c/o Russell J. Rutherford c/o David K. Bowsher Adams and Reese LLP Regions Harbert Plaza 1901 6th Avenue North, Suite 3000 Birmingham, AL 35203 Richard.Carmody@arlaw.com Laurence.McDuff@arlaw.com Russell.Rutherford@arlaw.com David.Bowsher@arlaw.com</p> |

| | |
|---|--|
| <p>U.S. Securities and Exchange Commission Office of Reorganization Atlanta Regional Office 950 East Paces Ferry Road, N.E., Suite 900 Atlanta, Georgia 30326-1382 Telephone: 404-842-7600 Facsimile: 404-842-7633 E-mail: atlreorg@sec.gov</p> | <p>National Public Finance Guarantee Corp. c/o Amy Edgy Ferber Jones Day 1420 Peachtree Street, N.E. Suite 800 Atlanta, GA 30309-3053 aeferber@jonesday.com</p> |
| <p>Lloyds TSB Bank PLC c/o Laura E. Appleby Chapman and Cutler LLP 330 Madison Ave. 34th Floor New York, NY 10017 appleby@chapman.com</p> | <p>National Public Finance Guarantee Corp. c/o Corinne Ball Jones Day 222 East 41st Street New York, NY 10017-6702 cball@jonesday.com</p> |
| <p>Lloyds TSB Bank PLC c/o Ann E. Acker c/o James E. Spiotto Chapman and Cutler, LLP 111 W. Monroe St. Chicago, IL 60603 acker@chapman.com spiotto@chapman.com</p> | <p>The Securities and Exchange Commission SEC Headquarters 100 F Street, NE Washington, DC 20549-9040 Attention: Morgan Bradylyons, Senior Counsel bradylyonsm@sec.gov</p> |
| <p>Lloyds TSB Bank PLC c/o Donald M. Wright c/o Stephen B. Porterfield Sirote & Permutt, P.C. 2311 Highland Avenue S. Birmingham, AL 35205 dwright@sirote.com sporterfield@sirote.com</p> | <p>The Bank of Nova Scotia c/o Laura E. Appleby Chapman and Cutler LLP 330 Madison Ave. 34th Floor New York, NY 10017 appleby@chapman.com</p> |
| <p>Appellant William Casey Appeal No. 1101361 in Supreme Court of Alabama c/o Matthew Weathers Weathers Law Firm, LLC P.O. Box 1826 Birmingham, AL 35201 mweathersmatt@gmail.com</p> | <p>The Bank of Nova Scotia c/o Ann E. Acker c/o James E. Spiotto Chapman and Cutler, LLP 111 W. Monroe St. Chicago, IL 60603 acker@chapman.com spiotto@chapman.com</p> |

| | |
|--|--|
| <p>Appellant William Casey Appeal No. 1101361 in Supreme Court of Alabama c/o Edward Jason Dennis c/o Samuel B. Hardy, IV Lynn Tillotson Pinker & Cox, LLP 2100 Ross Avenue, Suite 2700 Dallas, Texas 75201 jdennis@lynllp.com shardy@lynllp.com</p> | <p>The Bank of Nova Scotia c/o Donald M. Wright c/o Stephen B. Porterfield Sirote & Permutt, P.C. 2311 Highland Avenue S. Birmingham, AL 35205 dwright@sirote.com sporterfield@sirote.com</p> |
| <p>U.S. Bank National Association, in its capacity as Indenture Trustee c/o Charles R. Johanson III Engel, Hairston, & Johanson, P.C. 4th Floor, 109 20th Street (35203) P.O. Box 11405 Birmingham, AL 35202 rjohanson@ehjlaw.com</p> | <p>Appellant Carmella Macon Appeal No. 1101270 in the Supreme Court of Alabama c/o Matthew Weathers Weathers Law Firm, LLC P.O. Box 1826 Birmingham, AL 35201 mweathersmatt@gmail.com</p> |
| <p>David Perry, Esq. Finance Director Office of the Governor State of Alabama Office of the Governor State Capitol, Room N-104 600 Dexter Avenue Montgomery, AL 36130 david.perry@governor.alabama.gov</p> | <p>Appellant Carmella Macon Appeal No. 1101270 in the Supreme Court of Alabama c/o Edward Jason Dennis c/o Samuel B. Hardy, IV Lynn Tillotson Pinker & Cox, LLP 2100 Ross Avenue, Suite 2700 Dallas, Texas 75201 jdennis@lynllp.com shardy@lynllp.com</p> |
| <p>State of Alabama Department of Finance c/o Rachel L. Webber c/o Jerry C. Olshue, Jr. c/o Kristopher D. Sodergren c/o Robin E. Pate Rosen Harwood, P.A. 2200 Jack Warner Parkway, Suite 200 P.O. Box 2727 Tuscaloosa, AL 35403-2727 rwebber@rosenharwood.com boldshue@rosenharwood.com rpate@rosenharwood.com</p> | <p>U.S. Bank National Association, in its capacity as Indenture Trustee c/o Clark T. Whitmore Maslon Edleman Borman & Brand,LLP 3300 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402-4140 clark.whitmore@maslon.com</p> |

| | |
|---|---|
| <p>Wendell Major Public Employee of Jefferson County Alabama 3775 Gillespie Road Dolomite, AL 35061 majorpd@charter.net wwm5007@gmail.com</p> | <p>Beckman Coulter, Inc. c/o Kirk B. Burkley Bernstein Law Firm, P.C. Suite 2200 Gulf Tower Pittsburgh, PA 15219-1900 kburkley@bernsteinlaw.com</p> |
| <p>Beers Properties, LLC Creditor c/o W.L. Longshore, III Longshore, Buck & Longshore, P.C. 2009 Second Avenue North Birmingham, AL 35203 Billy3@longshorebuck.com</p> | <p>The Depository Trust & Clearing Corporation A Party in Interest c/o Adam T. Berkowitz c/o Jeffrey Chubak Proskauer Rose LLP Eleven Time Square New York, NY 10036-8299 aberkowitz@proskauer.com jchubak@proskauer.com</p> |
| <p>Mike Hale, in his official capacity as Sheriff of Jefferson County, Alabama c/o Robert R. Riley c/o Keith Jackson c/o Jay Murrill Riley & Jackson, P.C. 1744 Oxmoor Road Birmingham, AL 35209 jay@rileyjacksonlaw.com</p> | <p>City of Birmingham, Alabama c/o U.W. Clemon White Arnold & Dowd P.C. 2025 Third Avenue North, Suite 500 Birmingham, AL 35203 uwclemon@waadlaw.com</p> |
| <p>Gene J. Gonsoulin A Party in Interest c/o A. Wilson Webb Webb Law Firm 4416 Linpark Drive Birmingham, AL 35222 awilsonwebb@gmail.com</p> | <p>Jefferson County Board of Education c/o Whit Colvin Bishop, Colvin, Johnson & Kent, LLC 1910 First Avenue North Birmingham, AL 35203 wcolvin@bishopcolvin.com</p> |
| <p>David Swanson Interested Party c/o Henry J. Walker Walker Law Firm 2330 Highland Ave. Birmingham, AL 35205 henryjwalker@bellsouth.net</p> | <p>All Temps Systems, Inc. c/o Andre' M. Toffel Andre' M. Toffel, P.C. Suite 300 600 North, 20th Street Birmingham, AL 35203 atoffel@toffelp.com</p> |

| | |
|--|---|
| <p>Bill George c/o Jon C. Goldfarb c/o Daniel Arciniegas c/o L. William Smith Wiggins, Childs, Quinn & Pantazis, LLC The Kress Building, 301 19th Street North Birmingham, AL 35203 wsmith@wcqp.com</p> | <p>Elevator Maintenance and Repair, Inc. Creditor c/o Charles N. Parnell, III Parnell & Crum, P.A. P.O. Box 2189 Montgomery, AL 36102-2180 bkrp@parnellcrum.com</p> |
| <p>U.S. Pipe and Foundry Company, LLC c/o Jeffrey B. McClellan, Esq. 1200 Abernathy Road, NE Suite 1200 Atlanta, GA 30328 jmcclellan@muellerwp.com</p> | <p>Wells Fargo Bank, National Association as Indenture Trustee c/o Eric A. Schaffer c/o Luke A. Sizemore c/o Mike C. Buckley Reed Smith LLP 225 Fifth Ave., Suite 1200 Pittsburgh, PA 15230-2009 eschaffer@reedsmith.com lsizemore@reedsmith.com mbuckley@reedsmith.com</p> |
| <p>City of Midfield, Alabama c/o David A. Sullivan 1728 3rd Avenue North Suite 400D Birmingham, AL 35203 dasnicole@bellsouth.net</p> | <p>Fraternal Order of Police Lodge 64 Robert Thompson, Aubrey Finley and William D. McAnally et al. on behalf of the Employees of the Jefferson County Sheriff's Office c/o Raymond P. Fitzpatrick 1929 Third Avenue North Birmingham, Alabama 35203 rpfitzpatrick@fcclawgroup.com</p> |
| <p>BBA Development, LLC c/o Amanda M. Beckett Burr & Forman LLP 420 North 20th Street, Suite 3400 Birmingham, AL 35203 abeckett@burr.com</p> | <p>Medical Data Systems Inc. c/o Bryan G. Hale Starnes Davis Florie LLP 100 Brookwood Place, 7th Floor Birmingham, AL 35209 bgh@starneslaw.com</p> |

| | |
|---|---|
| <p>Lara Swindle c/o Ann C. Robertson c/o H. Wallace Blizzard Wiggins, Childs, Quinn & Pantazis, LLC The Kress Building 301 Nineteenth Street North Birmingham, AL 35203 arobertson@wcqp.com hwb@wcqp.com</p> | <p>Charlotte Breece Lillie Starks On behalf of all similarly situated persons in Breece, et al v. Jefferson County Tax Collector c/o Lee Wendell Loder Loder, P.C. P.O. Box 13545 Birmingham, AL 35202 loderlawfirm@aol.com</p> |
| <p>John Madison, IV, inmates and others similarly situated at the Jefferson County Jail c/o H. Doug Redd 5343 Old Springville Road Pinson, AL 35126 hdougredd@gmail.com</p> | <p>B.A.S. L.L.P. c/o Salem Resha, Jr. Wilson Resha, LLC 1516 20th Street South, Suite A Birmingham, AL 35205 snr@wilsonresha.com</p> |
| <p>CSX Transportation, Inc. A party-in-interest c/o James H. White, IV Baker Donelson Bearman Caldwell & Berkowitz, P.C. 420 20th Street North 1600 Wells Fargo Tower Birmingham, AL 35203 jwhite@bakerdonelson.com</p> | <p>Unisys Corporation Party in Interest c/o Dana S. Plon, Esq. Sirlin Gallogly & Lesser, P.C. 123 South Broad Street, Suite 2100 Philadelphia, PA 19109 dplon@sirlinlaw.com</p> |
| <p>James Pruitt Interested Party c/o Cynthia Forman Wilkinson, Esq. c/o Larry R. Mann, Esq. Wilkinson Law Firm, PC 215 N. Richard Arrington, Jr. Blvd., Ste. 811 Birmingham, AL 35203 wilkinsofile@bellsouth.net</p> | <p>John Mason, IV c/o Dan C. King, III Stewart & Stewart, P.C. 1826 3rd Avenue North Suite 300 Bessemer, AL 35020 dking@stewartandstewart.net</p> |

| | |
|--|--|
| <p>James R. Crane c/o Steven D. Altmann c/o Charles L. Denaburg c/o Marvin E. Franklin Najjar Denaburg, P.C. 2125 Morris Avenue Birmingham, AL 35203 saltmann@najjar.com cdenaburg@najjar.com mfranklin@najjar.com</p> | <p>Owens & Minor, Inc. c/o Robert S. Westermann, Esq. c/o Sheila deLa Cruz, Esq. Hirschler Fleischer, P.C. P.O. Box 500 Richmond, Virginia 23218-0500 rwestermann@hf-law.com sdelacruz@hf-law.com</p> |
| <p>James R. Crane c/o Sydney Gibbs Ballesteros Gibbs & Bruns, LLP 1100 Louisiana, Suite 5300 Houston, Texas 77002 sballesteros@gibbsbruns.com</p> | <p>Collette Funderburg Creditor and Interested Party c/o Michael J. Antonio, Jr. Greystone Legal Clinic 2516 11th Avenue North Birmingham, AL 35234 MANT003@aol.com</p> |
| <p>W.C. Rice Oil Company, Inc. c/o James H. White, IV Baker Donelson Bearman Caldwell & Berkowitz, P.C. 420 20th Street North 1600 Wells Fargo Tower Birmingham, Alabama 35203 jwhite@bakerdonelson.com</p> | <p>Universal Hospital Services, Inc. c/o James E. Bailey, III Butler, Snow, O'Mara, Stevens & Cannada, PLLC 6075 Poplar Avenue, Suite 500 Memphis, TN 38119 jeb.bailey@butlersnow.com</p> |
| <p>Delores W. Frost c/o W.L. Longshore, III Longshore, Buck & Longshore, P.C. 2009 Second Avenue North Birmingham, Alabama 3203 Billy3@longshorebuck.com</p> | <p>Lehman Brothers Special Financing, Inc. c/o James C. Huckaby c/o Daniel D. Sparks c/o Bradley R. Hightower Christian & Small 505 20th Street North, Suite 1800 Birmingham, Alabama 35203 jch@csattorneys.com dds@csattorneys.com brh@csattorneys.com</p> |

| | |
|---|--|
| <p>AMCAD 15867 North Mountain Road Broadway, VA 22815 cdelawder@amcad.com</p> | <p>BNSF Railway Company c/o James H. White, IV Baker Donelson Bearman Caldwell & Berkowitz, P.C. 420 20th Street North 1600 Wells Fargo Tower Birmingham, Alabama 35203 jwhite@bakerdonelson.com</p> |
| <p>Wells Fargo Bank, National Association, Indenture Trustee c/o Russell M. Cunningham, IV Cunningham Firm, LLC Landmark Center, Suite 600 2100 First Avenue North Birmingham, AL 35203 Russell@cunninghamfirmllc.com</p> | <p>Moore Oil Company Creditor c/o Brenton K. Morris Benton & Centeno, LLP 2019 Third Avenue North Birmingham, Alabama 35203 bmorris@bcattys.com</p> |
| <p>Innovation Depot, successor-in-interest to Entrepreneurial Center, Creditor c/o Russell M. Cunningham, IV Cunningham Firm, LLC Landmark Center, Suite 600 2100 First Avenue North Birmingham, AL 35203 Russell@cunninghamfirmllc.com</p> | <p>First Commercial Bank As Indenture Trustee c/o David B. Anderson c/o Deanna L. Weidner Anderson Weidner, LLC 505 20th Street North Financial Center, Suite 1450 Birmingham, AL 35203-4635 dbanderson@andersonweidner.com dlweidner@andersonweidner.com</p> |
| <p>Andrew Bennett, Roderick Royal, et al. c/o Calvin B. Grigsby 2406 Saddleback Drive Danville, CA 94506 cgrigsby@grigsbyinc.com</p> | <p>First Commercial Bank c/o David A. Wender Alston & Bird LLP 1201 West Peachtree Street Atlanta, Georgia 30309 david.wender@alston.com</p> |

| | |
|---|--|
| <p>The Depository Trust Company, on behalf of the holders of the Jefferson County, Alabama, General Obligation Capital Improvement Warrants, Series 2003-A and 2004-A c/o Lawrence S. Elbaum Proskauer Rose LLP Eleven Times Square New York, NY 10036-8299 lelbaum@proskauer.com</p> | <p>Jefferson County, Alabama George Carpinello Boies, Schiller & Flexner LLP 10 North Pearl Street, 4th Floor Albany, New York 12207 gcarpinello@bsflp.com</p> |
| <p>Bayerische Landesbank c/o Edward A. Smith Venable LLP Rockefeller Center 1270 Avenue of the Americas New York, NY 10020 easmith@Venable.com</p> | <p>AMSOL c/o John K. Rezac Taylor English Duma LLP 1600 Parkwood Circle, Suite 400 Atlanta, Georgia 30339 jrezac@taylorenghish.com</p> |
| <p>Internal Revenue Service c/o Kenya Bufford 801 Tom Martin Drive M/S 126 Birmingham, AL 35211 Kenya.Bufford@irs.gov</p> | <p>UAB Health System c/o Kathleen Kauffman Legal Counsel 500 22nd Street South, Suite 408 Birmingham, AL 35233 kkauffman@uasystem.ua.edu</p> |
| <p>Luther Strange, Esq. Attorney General State of Alabama 501 Washington Avenue Montgomery, AL 36130 lstrange@ago.state.al.us omartin@ago.state.al.us</p> | <p>Vekesha Hawes Creditor c/o Tyrone Townsend P.O. Box 2105 Birmingham, AL 35201 ttownsl@msn.com</p> |
| <p>John A. Vos Esq., Interested Party c/o John A. Vos, Esq. 1430 Lincoln Avenue San Rafael, CA 94901 invalidemailecfonly@gmail.com</p> | <p>Alabama Department of Environmental Management c/o Tom Johnston, Esq. General Counsel 1400 Coliseum Blvd. Montgomery AL 36110 tj@adem.state.al.us daf@adem.state.al.us</p> |

| | |
|---|---|
| <p>Environmental Protection Agency c/o Bill Weinischke U.S. Department of Justice Room 6028 Patrick Henry Bldg. 601 D Street, N.W. Washington, D.C. 20004 bill.weinischke@usdoj.gov</p> | <p>University of Alabama Health Services Foundation, P.C. Sirote & Permut, P.C. c/o Stephen B. Porterfield 2311 Highland Avenue South Birmingham, AL 35205 sporterfield@sirote.com</p> |
| <p>Ad Hoc Sewer Warrantholders c/o Thomas M. Mayer c/o Gregory A. Horowitz c/o Amy Caton c/o Jonathan M. Wagner Kramer Levin Naftalis & Frankel LLP 1177 Avenue of the Americas New York, New York 10036 tmayer@kramerlevin.com ghorowitz@kramerlevin.com acaton@kramerlevin.com jwagner@kramerlevin.com</p> | <p>Environmental Protection Agency c/o William Bush c/o Brad Ammons Atlanta Federal Center 61 Forsyth Street, SW Atlanta, GA 30303-3104 Bush.william@epamail.epa.gov Ammons.brad@epamail.epa.gov</p> |
| <p>National Public Finance Guarantee Corp. c/o Jennifer S. Morgan Hand Arendall LLC 30200 RSA Tower Post Office Box 123 Mobile, AL 36601 jmorgan@handarendall.com</p> | <p>Ad Hoc Sewer Warrantholders c/o Justin G. Williams, Esq. Tanner Guin & Crowell, LLC 2711 University Boulevard Tuscaloosa, AL 35401-1465 jwilliams@tannerguincrowell.com</p> |
| <p>City of Hoover c/o Leslie M. Klasing c/o April B. Danielson Waldrep, Stewart & Kendrick, LLC 2323 Second Avenue North Birmingham, AL 35203 Klasing@wskllc.com adanielson@wskllc.com</p> | <p>Depfa Bank PLC c/o Israel David c/o Gary L. Kaplan Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 israel.david@friedfrank.com gary.kaplan@friedfrank.com</p> |

| | |
|---|---|
| <p>Charles E. Wilson David Harris, III Mike Agnesia c/o Lee R. Benton c/o Jamie A. Wilson Benton & Centeno, LLP 2019 Third Avenue North Birmingham, AL 35203 lbenton@bcattys.com jwilson@bcattys.com</p> | <p>Charles E. Wilson David Harris, III Mike Agnesia c/o Joshua L. Firth Hollis, Wright, Clay & Vail 505 North 20th Street Suite 1500 Birmingham, AL 35203 joshf@hollis-wright.com</p> |
|---|---|

VIA U.S. MAIL:

| | |
|---|--|
| <p>Shoe Station, Inc. Attn: Michael T. Cronin, Esq. Johnson Pope Bokor Ruppel & Burns, LLP 911 Chestnut Street Clearwater, FL 33576</p> | <p>Teklinks Inc. 201 Summit Parkway Homewood, AL 35209</p> |
| <p>Morris & Dickson Co LLC 410 Kay Lane Shreveport, LA 71115</p> | <p>Augmentation, Inc. 3415 Independence Drive, Suite 101 Birmingham, AL 35209-8315</p> |
| <p>AMT Medical Staffing, Inc. 2 20th Street North Suite 1360 Birmingham, AL 35203</p> | <p>Brice Building Co., LLC 201 Sunbelt Parkway Birmingham, AL 35211</p> |
| <p>John Plott Company Inc. 2804 Rice Mine Road NE Tuscaloosa, AL 35406</p> | <p>Laboratory Corporation of America 430 South Spring Street Burlington, NC 27215 Attention: Legal Department</p> |

PARTIES THAT HAVE FILED OBJECTIONS TO THE JULY 29 PLAN

VIA U.S. MAIL:

| | |
|--|--|
| P.F. Moon and Company, Inc. c/o John M. Mastin, Jr. c/o Charles Surasky Smith, Currie & Hancock LLP 245 Peachtree Center Ave., NE Suite 2700 Atlanta, GA 30303 | Charlotte Breece and Lillie Starks c/o Lee Wendell Loder Loder, P.C. P.O. Box 13545 Birmingham, AL 35202 |
| Lucille Crawford 1012 4 th CT W Birmingham, AL 35204 | Betty J. Rodman 341 Sun Valley Circle Center Point, AL 35215 |
| Frances E. Weems P.O. Box 320863 Birmingham, AL 35232 | Gary L. Owen, P.E. c/o Gary L. Owen 510 Emery Drive West Hoover, AL 35244 |

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

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

CERTIFICATION OF GIL HOPENSTAND WITH RESPECT TO THE TABULATION
OF VOTES ON THE CHAPTER 9 PLAN OF ADJUSTMENT FOR
JEFFERSON COUNTY, ALABAMA (DATED JULY 29, 2013)

I, Gil Hopenstand, depose and say under penalty of perjury:

1. I am a Senior Consultant of Corporate Restructuring Services, employed by Kurtzman
Carson Consultants LLC ("KCC"), the balloting agent (the "Balloting Agent") for Jefferson County,
Alabama (the "County"), the debtor in the above-referenced case. My business address is 2335 Alaska
Avenue, El Segundo, California 90245. I am over the age of 18 and not a party to this action. Except
as otherwise noted, I could and would testify to the following based upon my personal knowledge. I
submit this Voting Certification in connection with the tabulation of votes for the Chapter 9 Plan of
Adjustment for Jefferson County, Alabama (Dated July 29, 2013) [Docket No. 1911] (as subsequently
further supplemented, amended, or modified, the "Plan")¹. I am authorized to submit this Certification
on behalf of KCC.

2. On July 3, 2013, the County filed its Motion for Entry of Order Approving: (A) the
Form, Scope, and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the

¹ The County filed a modified version of the Plan on November 6, 2013 [Docket No. 2182]. For the reasons set forth in
the Notice of Plan Modifications and Hearing Thereon [Docket No. 2184], the County will request at the Confirmation
Hearing that the Court find that the modified version of the Plan shall be deemed accepted by all creditors who have
previously accepted the July 29 version of the Plan.

C.390



110573613111300000000004

“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, the *“Solicitation Procedures Motion”*).² On August 7, 2013, the Court entered the *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 [Docket No. 1975]* (the *“Solicitation Procedures Order”*).

3. As the County’s Balloting Agent, KCC worked with the County and its counsel and other professionals to solicit votes to accept or reject the Plan and to tabulate the Ballots of Creditors voting to accept or reject the Plan.

4. KCC has considerable experience in soliciting and tabulating votes to accept or reject proposed bankruptcy plans, and I have participated in such processes numerous times during my employment by KCC.

A. Service and Transmittal of Solicitation Packages and Related Information

5. The Solicitation Procedures Order established August 6, 2013 as the Ballot Record Date for determining which Creditors were entitled to receive Solicitation Packages and, where applicable, vote on the Plan. Pursuant to the Solicitation Procedures Order, Holders of Claims in Classes 1-C, 1-D, 2-D, 2-E, 5-D, 5-E, 6 and 7 (together, the *“Voting Classes”*) were entitled to vote to accept or

² Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan or the Solicitation Procedures Motion.

reject the Plan.³ Holders of Claims in Classes 1-E, 1-F, 3-B, 4, 8 and 9 were not entitled to vote on the Plan.⁴

6. Pursuant to the Solicitation Procedures Order, KCC relied on the County's List of Creditors and the claims information pertaining to the County's Case as reflected in KCC's systems in order to identify the Holders of Claims entitled to vote to accept or reject the Plan.

7. Using the information outlined above, and with guidance and approval from the County's counsel, KCC created a voting database reflecting the names of Holders in the Voting Classes, addresses of such Holders, voting amounts and classification of Claims in the Voting Classes. Using its KCC CaseView voting database ("KCC CaseView"), KCC generated Ballots for Holders of Claims in the Voting Classes.

8. On or before August 21, 2013, KCC caused to be served Solicitation Packages on all known members of the Voting Classes in accordance with the Solicitation Procedures Order. Additionally, KCC caused to be served: (i) the Notice of Non-Voting Status on all known members of Classes 1-E, 1-F, 3-B, 4, 8 and 9; and (ii) the Confirmation Hearing Notice on the Creditor matrix and other parties. Affidavits evidencing KCC's service of the foregoing were filed with the Court on September 13, 2013 [**Docket No. 2050**], on September 18, 2013 [**Docket No. 2056**], on September 27, 2013 [**Docket No. 2085**], on October 7, 2013 [**Docket No. 2121**], and on October 9, 2013 [**Docket No. 2127**].

B. The Tabulation Process

9. The Solicitation Procedures Order established October 7, 2013 at 5:00 p.m. (prevailing U.S. Central time) as the Ballot Deadline.

³ Holders of Claims in Classes 1-A, 1-B, 2-A, 2-B, 2-C and 5-A were also entitled to vote on the Plan. A separate voting certification will be filed relating to the tabulation of those votes.

⁴ Holders of Claims in Classes 3-A, 5-B and 5-C were also not entitled to vote on the Plan. A separate voting certification will be filed relating to the service of materials on those Holders.

10. Pursuant to the Solicitation Procedures Order, KCC received and tabulated Ballots as follows: (a) each returned Ballot was opened and inspected at KCC's offices; (b) Ballots were date-stamped and scanned into KCC CaseView; and (c) all Ballots received on or before the Ballot Deadline were then entered into KCC CaseView and tabulated in accordance with the Tabulation Rules.

C. Tabulation Summary

11. Set forth below is a summary of the voting results with respect to the Voting Classes, tabulated on a consolidated basis.

| Total Ballots Received | | | |
|---|-------------------------------|---------------|---------------------------|
| Accept | | Reject | |
| Number | Amount | Number | Amount |
| Class 1-C – Sewer Warrant Insurers Claims | | | |
| 8 (100.00%) | \$403,662,845.11 (100.00%) | 0 (0.00%) | \$0.00 (0.00%) |
| Class 1-D – Other Specified Sewer Claims | | | |
| 2 (100.00%) | \$1,656,231.21 (100.00%) | 0 (0.00%) | \$0.00 (0.00%) |
| Class 2-D – School Policy - General Claims | | | |
| 0 (0.00%) | \$0.00 (0.00%) | 0 (0.00%) | \$0.00 (0.00%) |
| Class 2-E – School Surety Reimbursement Claims | | | |
| 0 (0.00%) | \$0.00 (0.00%) | 0 (0.00%) | \$0.00 (0.00%) |
| Class 5-D – GO Policy Claims | | | |
| 1 (100.00%) | \$16,411,011.40 (100.00%) | 0 (0.00%) | \$0.00 (0.00%) |
| Class 5-E – GO Swap Agreement Claims | | | |
| 1 (100.00%) | \$7,893,762.30 (100.00%) | 0 (0.00%) | \$0.00 (0.00%) |
| Class 6 – General Unsecured Claims | | | |
| 14 (60.87%) | \$38,644,616.98 (96.64%) | 9 (39.13%) | \$1,343,523.99 (3.36%) |
| Class 7 – Bessemer Lease Claims | | | |
| 2 (100.00%) | \$86,745,001.00 (100.00%) | 0 (0.00%) | \$0.00 (0.00%) |

12. The ballot report containing the consolidated summary for the Voting Classes is annexed hereto as Exhibit A. The detailed ballot reports for each of the Voting Classes are annexed hereto collectively as Exhibit B.

Unacceptable Ballots

13. Annexed hereto as Exhibit C is a detailed report of any Ballots that were not included in the tabulation above because they did not satisfy the requirements for a valid Ballot as set forth in the Solicitation Procedures Order for the reasons described below:

- a. Late-Filed Any Ballot received after the Ballot Deadline; or
- b. Not Signed Any Ballot that is not executed.

14. Annexed hereto as Exhibit D is a detailed report of any Ballots that were not included in the tabulation above because the County has objected to the Claims of the Holders of such Ballots.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief. If called to testify at trial on this matter, I would testify under oath to the facts stated in this Voting Certification.

Dated: November 13, 2013

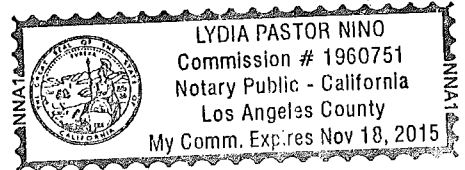
By: Gil Hopenstand
Kurtzman Carson Consultants LLC
Claims and Noticing Agent
2335 Alaska Avenue
El Segundo, CA 90245
Telephone: (310) 823-9000

State of California, County of Los Angeles

Subscribed and sworn to before me on November 13, 2013, by Gil Hopenstand, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: [Signature]
Notary Public



Summary Ballot Report by Class

Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)

| Class Name | Class Description | Total Members | Unacceptable Votes | Members Voted | Members Accepted | Members Rejected | Members Abstained | Percentage Members Accepted | Percentage Members Rejected | Total Dollar in Class | Total Dollar Voted | Dollar Accepted | Dollar Rejected | Dollar Abstained | Percentage Dollar Accepted | Percentage Dollar Rejected |
|------------|------------------------------------|---------------|--------------------|---------------|------------------|------------------|-------------------|-----------------------------|-----------------------------|-----------------------|--------------------|------------------|-----------------|------------------|----------------------------|----------------------------|
| Class 1-C | Sewer Warrant Insurers Claims | 27 | 0 | 8 | 8 | 0 | 0 | 100.00% | 0.00% | \$403,662,845.11 | \$403,662,845.11 | \$403,662,845.11 | \$0.00 | \$0.00 | 100.00% | 0.00% |
| Class 1-D | Other Specified Sewer Claims | 2 | 0 | 2 | 2 | 0 | 0 | 100.00% | 0.00% | \$1,656,231.21 | \$1,656,231.21 | \$1,656,231.21 | \$0.00 | \$0.00 | 100.00% | 0.00% |
| Class 2-D | School Policy - General Claims | 1 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0.00% | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.00% | 0.00% |
| Class 2-E | School Surety Reimbursement Claims | 1 | 0 | 0 | 0 | 0 | 0 | 0.00% | 0.00% | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 0.00% | 0.00% |
| Class 5-D | GO Policy Claims | 1 | 0 | 1 | 1 | 0 | 0 | 100.00% | 0.00% | \$16,411,011.40 | \$16,411,011.40 | \$16,411,011.40 | \$0.00 | \$0.00 | 100.00% | 0.00% |
| Class 5-E | GO Swap Agreement Claims | 1 | 0 | 1 | 1 | 0 | 0 | 100.00% | 0.00% | \$7,893,762.30 | \$7,893,762.30 | \$7,893,762.30 | \$0.00 | \$0.00 | 100.00% | 0.00% |
| Class 6 | General Unsecured Claims | 107 | 2 | 23 | 14 | 9 | 0 | 60.87% | 39.13% | \$177,107,352.46 | \$39,988,140.97 | \$38,644,616.98 | \$1,343,523.99 | \$0.00 | 96.64% | 3.36% |
| Class 7 | Bessemer Lease Claims | 2 | 0 | 2 | 2 | 0 | 0 | 100.00% | 0.00% | \$86,745,001.00 | \$86,745,001.00 | \$86,745,001.00 | \$0.00 | \$0.00 | 100.00% | 0.00% |

EXHIBIT B

Class Details
 Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)
 Class 1-C: Sewer Warrant Insurers Claims

| Ballot Number | Creditor Name | Date Received | Voting Amount | Votes Accept | Votes Reject | Votes Abstain | Total Dollars | Dollars Accept | Dollars Reject | Dollars Abstain | Claim Amount (If Modified) | Accept / Reject |
|---------------|--------------------------------------|---------------|------------------|--------------|--------------|---------------|------------------|------------------|----------------|-----------------|----------------------------|-----------------|
| 34 | Assured Guaranty Municipal Corp. | 10/3/13 | \$34,129,710.82 | 1 | 0 | 0 | \$34,129,710.82 | \$34,129,710.82 | \$0.00 | \$0.00 | \$34,129,710.82 | Accept |
| 7 | Financial Guaranty Insurance Company | 9/5/13 | \$118,354,266.47 | 1 | 0 | 0 | \$118,354,266.47 | \$118,354,266.47 | \$0.00 | \$0.00 | | Accept |
| 8 | Financial Guaranty Insurance Company | 9/5/13 | \$1.00 | 1 | 0 | 0 | \$1.00 | \$1.00 | \$0.00 | \$0.00 | | Accept |
| 9 | Financial Guaranty Insurance Company | 9/5/13 | \$1.00 | 1 | 0 | 0 | \$1.00 | \$1.00 | \$0.00 | \$0.00 | | Accept |
| 10 | Financial Guaranty Insurance Company | 9/5/13 | \$3,304,042.07 | 1 | 0 | 0 | \$3,304,042.07 | \$3,304,042.07 | \$0.00 | \$0.00 | | Accept |
| 11 | Financial Guaranty Insurance Company | 9/5/13 | \$1.00 | 1 | 0 | 0 | \$1.00 | \$1.00 | \$0.00 | \$0.00 | | Accept |
| 12 | Financial Guaranty Insurance Company | 9/5/13 | \$1.00 | 1 | 0 | 0 | \$1.00 | \$1.00 | \$0.00 | \$0.00 | | Accept |
| 30 | Syncora Guarantee Inc. | 10/3/13 | \$247,874,821.75 | 1 | 0 | 0 | \$247,874,821.75 | \$247,874,821.75 | \$0.00 | \$0.00 | \$247,874,821.75 | Accept |

Class Details
 Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)
 Class 1-D: Other Specified Sewer Claims

| Ballot Number | Creditor Name | Date Received | Voting Amount | Votes Accept | Votes Reject | Votes Abstain | Total Dollars | Dollars Accept | Dollars Reject | Dollars Abstain | Claim Amount (if Modified) | Accept / Reject |
|---------------|---|---------------|----------------|--------------|--------------|---------------|----------------|----------------|----------------|-----------------|----------------------------|-----------------|
| 16 | Lehman Brothers Special Financing Inc | 9/13/13 | \$1,656,230.21 | 1 | 0 | 0 | \$1,656,230.21 | \$1,656,230.21 | \$0.00 | \$0.00 | | Accept |
| 29 | J.P. Morgan Securities LLC, relating to Warrant Agreements and Remarketing Agreements | 9/30/13 | \$1.00 | 1 | 0 | 0 | \$1.00 | \$1.00 | \$0.00 | \$0.00 | | Accept |

Class Details
 Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)
 Class 5-D: GO Policy Claims

| Ballot Number | Creditor Name | Date Received | Voting Amount | Votes Accept | Votes Reject | Votes Abstain | Total Dollars | Dollars Accept | Dollars Reject | Dollars Abstain | Claim Amount (If Modified) | Accept / Reject |
|---------------|---|---------------|-----------------|--------------|--------------|---------------|-----------------|-----------------|----------------|-----------------|----------------------------|-----------------|
| 18 | National Public Finance Guarantee Corporation | 9/25/13 | \$16,411,011.40 | 1 | 0 | 0 | \$16,411,011.40 | \$16,411,011.40 | \$0.00 | \$0.00 | \$16,411,011.40 | Accept |

Class Details
 Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)
 Class 5-E: GO Swap Agreement Claims

| Ballot Number | Creditor Name | Date Received | Voting Amount | Total Votes | Votes Accept | Votes Reject | Votes Abstain | Total Dollars | Dollars Accept | Dollars Reject | Dollars Abstain | Claim Amount (if Modified) | Accept / Reject |
|---------------|---|---------------|---------------|-------------|--------------|--------------|---------------|---------------|----------------|----------------|-----------------|----------------------------|-----------------|
| 27 | JPMorgan Chase Bank, N.A. relating to General Obligation Standby Agreement and Swap Agreement | 9/30/13 | \$0.00 | 1 | 1 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$7,893,762.30 | Accept |

Class Details
Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)
Class 6: General Unsecured Claims

| Ballot Number | Creditor Name | Date Received | Voting Amount | Votes Accept | Votes Reject | Votes Abstain | Total Dollars | Dollars Accept | Dollars Reject | Dollars Abstain | Accept or Reject | Different voting amount, if any | Did claimant list Additional Claims in Item 3? |
|---------------|---|---------------|-----------------|--------------|--------------|---------------|-----------------|-----------------|----------------|-----------------|------------------|---------------------------------|--|
| 36 | Assured Guaranty Corp. | 10/3/13 | \$2,155,953.98 | 1 | 0 | 0 | \$2,155,953.98 | \$2,155,953.98 | \$0.00 | \$0.00 | Accept | \$2,155,953.98 | Yes |
| 37 | Assured Guaranty Municipal Corp. | 10/3/13 | \$2,110,035.12 | 1 | 0 | 0 | \$2,110,035.12 | \$2,110,035.12 | \$0.00 | \$0.00 | Accept | \$5,212,992.45 | Yes |
| 40 | Assured Guaranty Re Ltd. | 10/4/13 | \$27,976.13 | 1 | 0 | 0 | \$27,976.13 | \$27,976.13 | \$0.00 | \$0.00 | Accept | | Yes |
| 35 | Assured Guaranty Re Overseas Ltd. | 10/3/13 | \$10,368.29 | 1 | 0 | 0 | \$10,368.29 | \$10,368.29 | \$0.00 | \$0.00 | Accept | \$10,368.29 | Yes |
| 39 | BBA Developments, LLC | 10/4/13 | \$358,443.54 | 0 | 1 | 0 | \$358,443.54 | \$0.00 | \$358,443.54 | \$0.00 | Reject | | No |
| 49 | Beers Properties, LLC | 10/7/13 | \$598,093.53 | 0 | 1 | 0 | \$598,093.53 | \$0.00 | \$598,093.53 | \$0.00 | Reject | | No |
| 46 | Belinda Walls | 10/7/13 | \$1.00 | 0 | 1 | 0 | \$1.00 | \$0.00 | \$1.00 | \$0.00 | Reject | | No |
| 45 | Business Realty Investment Incorporated | 10/7/13 | \$381,501.78 | 0 | 1 | 0 | \$381,501.78 | \$0.00 | \$381,501.78 | \$0.00 | Reject | | No |
| 14 | Elevator Maintenance & Repair | 9/11/13 | \$264,356.97 | 1 | 0 | 0 | \$264,356.97 | \$264,356.97 | \$0.00 | \$0.00 | Accept | | Yes |
| 15 | Elevator Maintenance & Repair | 9/11/13 | \$237,331.80 | 1 | 0 | 0 | \$237,331.80 | \$237,331.80 | \$0.00 | \$0.00 | Accept | | Yes |
| 4 | Hach Co | 8/30/13 | \$14,025.24 | 1 | 0 | 0 | \$14,025.24 | \$14,025.24 | \$0.00 | \$0.00 | Accept | | Yes |
| 47 | Herman Henderson Demoss | 10/7/13 | \$1.00 | 0 | 1 | 0 | \$1.00 | \$0.00 | \$1.00 | \$0.00 | Reject | | No |
| 1 | Hill Williams Annie M | 8/29/13 | \$4,500.00 | 0 | 1 | 0 | \$4,500.00 | \$0.00 | \$4,500.00 | \$0.00 | Reject | | Yes |
| 28 | J.P. Morgan Securities LLC, relating to Warrant Agreements and Remarketing Agreements | 9/30/13 | \$1.00 | 1 | 0 | 0 | \$1.00 | \$1.00 | \$0.00 | \$0.00 | Accept | | No |
| 17 | James T. Marske | 9/20/13 | \$981.14 | 0 | 1 | 0 | \$981.14 | \$0.00 | \$981.14 | \$0.00 | Reject | | No |
| 48 | Rudolph Maxine | 10/7/13 | \$100,000.00 | 1 | 0 | 0 | \$100,000.00 | \$100,000.00 | \$0.00 | \$0.00 | Accept | | No |
| 31 | Syncora Guarantee Inc. | 10/3/13 | \$1.00 | 1 | 0 | 0 | \$1.00 | \$1.00 | \$0.00 | \$0.00 | Accept | | Yes |
| 32 | Syncora Guarantee Inc. | 10/3/13 | \$33,682,946.64 | 1 | 0 | 0 | \$33,682,946.64 | \$33,682,946.64 | \$0.00 | \$0.00 | Accept | \$33,682,946.64 | Yes |
| 33 | Syncora Guarantee Inc. | 10/3/13 | \$1.00 | 1 | 0 | 0 | \$1.00 | \$1.00 | \$0.00 | \$0.00 | Accept | \$1.00 | Yes |
| 44 | Thad Tidwell, Belinda Walls, individually and for a class of similarly situated individuals or entities | 10/7/13 | \$1.00 | 0 | 1 | 0 | \$1.00 | \$0.00 | \$1.00 | \$0.00 | Reject | | No |

Class Details
 Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)
 Class 6: General Unsecured Claims

| Ballot Number | Creditor Name | Date Received | Voting Amount | Votes Accept | Votes Reject | Votes Abstain | Total Dollars | Dollars Accept | Dollars Reject | Dollars Abstain | Accept or Reject | Different voting amount, if any | Did claimant list Additional Claims in Item 3? |
|---------------|----------------------|---------------|---------------|--------------|--------------|---------------|---------------|----------------|----------------|-----------------|------------------|---------------------------------|--|
| 43 | Thadd Tidwell | 10/7/13 | \$1.00 | 0 | 1 | 0 | \$1.00 | \$0.00 | \$1.00 | \$0.00 | Reject | | No |
| 2 | Walter Calvin Taylor | 8/29/13 | \$3,030.00 | 1 | 0 | 0 | \$3,030.00 | \$3,030.00 | \$0.00 | \$0.00 | Accept | | No |
| 5 | Xerox Corporation | 8/30/13 | \$38,589.81 | 1 | 0 | 0 | \$38,589.81 | \$38,589.81 | \$0.00 | \$0.00 | Accept | | No |

Class Details
 Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)
 Class 7: Bessemer Lease Claims

| Ballot Number | Creditor Name | Date Received | Voting Amount | Total Votes | Votes Accept | Votes Reject | Votes Abstain | Total Dollars | Dollars Accept | Dollars Reject | Dollars Abstain | Claim Amount (If Modified) | Accept / Reject |
|---------------|---|---------------|-----------------|-------------|--------------|--------------|---------------|-----------------|-----------------|----------------|-----------------|----------------------------|-----------------|
| 51 | Ambac Assurance Corporation | 10/8/13 | \$1.00 | 1 | 1 | 0 | 0 | \$1.00 | \$1.00 | \$0.00 | \$0.00 | | Accept |
| 6 | First Commercial Bank, as Indenture Trustee for Lease Revenue Warrants, Series 2006 | 9/5/13 | \$86,745,000.00 | 1 | 1 | 0 | 0 | \$86,745,000.00 | \$86,745,000.00 | \$0.00 | \$0.00 | | Accept |

EXHIBIT C

Class Details
 Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)
 Unacceptable Ballots

| Ballot Number | Creditor Name | Date Received | Voting Amount | Votes Accept | Votes Reject | Votes Abstain | Total Dollars | Dollars Accept | Dollars Reject | Dollars Abstain | Accept or Reject | Different voting amount, if any | Did claimant list Additional Claims in Item 3? | Reason Unacceptable |
|---------------|---|---------------|---------------|--------------|--------------|---------------|---------------|----------------|----------------|-----------------|------------------|---------------------------------|--|---------------------|
| 52 | PRUITT ERIC RAYMOND | 10/10/13 | \$100,000.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Reject | | No | Late Filed |
| 3 | The Home Insurance Company in Liquidation | 8/30/13 | \$1.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | No | Not Signed |

EXHIBIT D

Class Details
 Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)
 Unacceptable Ballots - Pending Claim Objections

| Ballot Number | Creditor Name | Date Received | Voting Amount | Votes Accept | Votes Reject | Votes Abstain | Total Dollars | Dollars Accept | Dollars Reject | Dollars Abstain | Accept or Reject | Different voting amount, if any | Did claimant list Additional Claims in Item 3? | Reason Unacceptable |
|---------------|---|---------------|---------------|--------------|--------------|---------------|---------------|----------------|----------------|-----------------|------------------|---------------------------------|--|---------------------|
| 41 | Charles E. Wilson, David Harris, III, and Mike Agnesia, et al. | 10/07/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Reject | | No | Objection Pending |
| 42 | Charlotte Breece, Lillie Starks, individually and on behalf of all similarly situated persons | 10/07/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Reject | | No | Objection Pending |
| 50 | Charlotte Breece, Lillie Starks, individually and on behalf of all similarly situated persons | 10/07/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Reject | | No | Objection Pending |
| 38 | Health Assurance, LLC | 10/03/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Reject | | No | Objection Pending |
| 19 | James T. Brazzill, Jr. | 09/26/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | Yes | Objection Pending |
| 20 | James T. Brazzill, Jr. | 09/26/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | Yes | Objection Pending |
| 21 | James T. Brazzill, Jr. | 09/26/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | Yes | Objection Pending |
| 22 | James T. Brazzill, Jr. | 09/26/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | Yes | Objection Pending |
| 23 | James T. Brazzill, Jr. | 09/26/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | Yes | Objection Pending |
| 24 | James T. Brazzill, Jr. | 09/26/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | Yes | Objection Pending |
| 25 | James T. Brazzill, Jr. | 09/26/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | Yes | Objection Pending |
| 26 | James T. Brazzill, Jr. | 09/26/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | Yes | Objection Pending |
| 13 | SACS STATON AND ASSOCIATES | 09/09/2013 | \$0.00 | 0 | 0 | 0 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Accept | | No | Objection Pending |

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

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

CERTIFICATION OF DAVID HARTIE WITH RESPECT TO THE TABULATION OF VOTES ON AND COMMUTATION ELECTIONS WITH RESPECT TO THE CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA (DATED JULY 29, 2013)

I, David Hartie, depose and say under penalty of perjury:

1. I am a Director of Public Securities Services, employed by Kurtzman Carson Consultants LLC (“KCC”), whose main business address is 599 Lexington Avenue, 39th Floor, New York, NY 10022. I am over the age of 18 and not a party to this action.

2. On November 22, 2011, the Court entered the *Order Appointing Kurtzman Carson Consultants LLC as Claims, Noticing and Balloting Agent Pursuant to 28 U.S.C. § 156(c) and Rule 2002 of the Federal Rules of Bankruptcy Procedure [Docket No. 291]*, designating KCC as the official Claims, Noticing and Balloting Agent for Jefferson County, Alabama (the “County”), the debtor in the above-referenced case.

3. On July 3, 2013, the County filed its *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

C.391



1105736131113000000000003

supplemented, the “Solicitation Procedures Motion”).¹ On August 7, 2013, the Court entered the *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 [Docket No. 1975]* (the “Solicitation Procedures Order”), thereby approving the Solicitation Procedures Motion.

4. KCC worked with the County and its counsel and other professionals to solicit votes to accept or reject the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [Docket No. 1911] (as subsequently further supplemented, amended, or modified, the “Plan”²) and to tabulate the Ballots of Creditors voting to accept or reject the Plan and electing to either make or not make the Commutation Election for those eligible to make such election. Except as otherwise noted, I could and would testify to the following based upon my personal knowledge. I am authorized to submit this Certification on behalf of KCC.

5. KCC has considerable experience in soliciting and tabulating votes to accept or reject proposed bankruptcy plans.

A. Service and Transmittal of Solicitation Packages and Related Information

6. The Solicitation Procedures Order established August 6, 2013 as the Ballot Record Date for determining which Creditors were entitled to receive Solicitation Packages and, where applicable, vote on the Plan. Pursuant to the Solicitation Procedures Order, Holders of Claims in Classes 1-A and 1-B (together, the “Sewer Warrant Voting Classes”), together with Holders of Claims in Classes 2-A, 2-B, 2-C and 5-A (collectively with the Sewer Warrant Voting Classes, the “Warrant Voting Classes”

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Solicitation Procedures Motion.

² The County filed a modified version of the Plan on November 6, 2013 [Docket No. 2182]. For the reasons set forth in the *Notice of Plan Modifications and Hearing Thereon* [Docket No. 2184], the County will request at the Confirmation Hearing that the Court find that the modified version of the Plan shall be deemed accepted by all creditors who have previously accepted the July 29 version of the Plan.

or “Warrant Claims”) were entitled to vote to accept or reject the Plan. Holders of Claims in the Sewer Warrant Voting Classes were also eligible to make or not make the Commutation Election.³ Classes 3-A, 5-B and 5-C were not entitled to vote on the Plan.⁴

7. Pursuant to the Solicitation Procedures Order, in an effort to ascertain all known members of the Warrant Voting Classes,⁵ KCC relied on, among other things, the listings of Institutional Nominees received from the Depository Trust Company (“DTC”), along with information received from The Bank of New York Mellon, as Indenture Trustee for the Sewer Warrant Voting Classes, to identify the Holders of Warrants Claims entitled to vote to accept or reject the Plan and make or not make the Commutation Election

8. On or before August 21, 2013, KCC caused to be served Solicitation Packages on all known members of Classes 1-A, 1-B, 2-A, 2-B, 2-C and 5-A in accordance with the Solicitation Procedures Order. Additionally, KCC caused to be served the Notice of Non-Voting Status on all known members of Classes 3-A, 5-B and 5-C. An affidavit evidencing the service of the foregoing was filed with the Court on September 18, 2013 [**Docket No. 2055**].

9. Pursuant to the Solicitation Procedures Order, KCC coordinated with Broadridge Financial Solutions, Inc. (“Broadridge”), an entity that acts as agent on behalf of the Institutional Nominees for the Beneficial Holders of the Warrant Claims. KCC provided Solicitation Packages to

³ Holders of Claims in Classes 1-C, 1-D, 2-D, 2-E, 5-D, 5-E, 6 and 7 were also entitled to vote on the Plan. A separate Voting Certification will be filed relating to the tabulation of those votes.

⁴ Holders of Claims in Classes 1-E, 1-F, 3-B, 4, 8, and 9 were also not entitled to vote on the Plan. A separate voting certification will be filed relating to the service of materials on those Holders.

⁵ In accordance with the terms of the Solicitation Procedures Order, the County published notice of the Confirmation Hearing in each of *The Birmingham News*, *The Bond Buyer*, and *The Wall Street Journal*, which notice set forth, among other things, the time and place of the Confirmation Hearing, the opportunity and conditions for filing objections to the Plan, the procedures for submitting votes to accept or reject the Plan, as well as substantive information relating to the Commutation Election, the releases and injunctions to be provided by the Plan and the validation of the New Sewer Warrants and the Approved Rate Structure [**Docket No. 2051**].

the Institutional Nominees appearing on the listings received from DTC or directly to Broadridge, for subsequent forwarding to the underlying Beneficial Holders of Warrant Claims. KCC also provided a Master Ballot to each Institutional Nominee for their use in reporting the voting and election instructions from the underlying Beneficial Holders. An affidavit evidencing the mailing of the Solicitation Packages from Broadridge to the respective Institutional Holders was filed with the Court on October 29, 2013 [**Docket No. 2167**].

10. There are approximately 80 Institutional Nominees representing the Beneficial Holders of the Warrant Claims, with 69 Institutional Nominees representing the Beneficial Holders of Sewer Warrant Claims. In total, KCC provided 7,622 individual Solicitation Packages to the Institutional Nominees and Broadridge for forwarding to the underlying Beneficial Holders, of which 4,841 Solicitation Packages were provided for the Beneficial Holders of Sewer Warrant Claims.

11. Pursuant to the Solicitation Procedures Order, KCC utilized the procedures described in the Plan Procedures Motion as Exhibit 2 (the “Sewer Plan Support Ballot Procedures”) to (i) provide the Beneficial Holder Ballots applicable to the Sewer Warrants and Bank Warrants held by those Sewer Plan Support Parties that provided necessary information to KCC (the “Designated Sewer Plan Support Parties”) directly to such Designated Plan Support Parties; (ii) facilitate the return of such Ballots directly to KCC and KCC’s processing of such Ballots; and (iii) recognize for all purposes such Beneficial Holder Ballots as valid and controlling Ballots of such Creditors for voting, election and tabulation purposes.

12. On October 9, 2013, pursuant to the Solicitation Procedures Order, KCC utilized the procedures described in the Plan Procedures Motion as Exhibit 8 (the “Rescission of Deemed Election Procedures”) to provide the Rescission of Deemed Election Notice and the Rescission of Deemed Election beneficial and master forms to the Institutional Nominees of Beneficial Holders of Series

2003-C-9 Through C-10 Sewer Warrants. An affidavit evidencing the service of the foregoing was filed with the Court on November 1, 2013 [**Docket No. 2176**].

B. The Tabulation Process

13. The Solicitation Procedures Order established October 7, 2013 at 5:00 p.m. (prevailing U.S. Central time) as the Ballot Deadline.

14. Pursuant to the Solicitation Procedures Order, KCC received and tabulated Master Ballots as follows: (a) each returned Master Ballot was opened and inspected at KCC's offices; (b) Master Ballots were date-stamped; and (c) all Master Ballots received on or before the Ballot Deadline were tabulated in accordance with the Tabulation Rules.

15. In total, KCC received and processed 513 Master Ballots representing over 900 Beneficial Holder accounts. Of these, 388 Master Ballots were received from Institutional Nominees of Sewer Warrant Claims, representing over 600 Beneficial Holder accounts. KCC also received an additional 310 Beneficial Holder Ballots directly from the Designated Sewer Plan Support Parties.

16. Pursuant to the Rescission of Deemed Election Procedures, KCC provided the Rescission of Deemed Election beneficial and master forms to the Institutional Nominees representing Beneficial Holders of Series 2003-C-9 Through C-10 Sewer Warrants in the aggregate principal amount of \$23,800,000, which were the holders who would be deemed to have made the Commutation Election under the Plan and the Solicitation Procedures Order.

17. The Solicitation Procedures Order established November 5, 2013 at 5:00 p.m. (prevailing U.S. Central time) as the deadline for parties to exercise a right to rescind a deemed Commutation Election.

18. In total, KCC received and processed one (1) set of Rescission of Deemed Election Notice and Rescission of Deemed Election beneficial and master forms regarding \$500,000 of Series

2003-C-10 Sewer Warrants held by one (1) account.

C. Tabulation Summary

19. Set forth below is a summary of the voting results with respect to the Warrant Voting Classes, tabulated on a consolidated basis.

| Total Ballots Received | | | |
|--|--------------------------------|----------------|----------------------------|
| Accept | | Reject | |
| Number | Amount | Number | Amount |
| Class 1-A – Sewer Warrant Claims | | | |
| 503 (93.84%) | \$2,146,556,525.00 (99.42%) | 33 (6.16%) | \$12,430,000.00 (0.58%) |
| Class 1-B – Bank Warrant Claims and Primary Standby Sewer Warrant Claims | | | |
| 20 (100.00%) | \$476,706,252.76 (100.00%) | 0 (0.00%) | \$0.00 (0.00%) |
| Class 2-A – Series 2004-A School Claims | | | |
| 161 (87.98%) | \$396,097,000.00 (99.94%) | 22 (12.02%) | \$255,000.00 (0.06%) |
| Class 2-B – Series 2005-A School Claims | | | |
| 10 (83.33%) | \$80,545,000.00 (95.84%) | 2 (16.67%) | \$3,500,000.00 (4.16%) |
| Class 2-C – Series 2005-B School Claims and Standby School Warrant Claims | | | |
| 1 (100.00%) | \$141,145,000.00 (100.00%) | 0 (0.00%) | \$0.00 (0.00%) |
| Class 5-A – Series 2001-B GO Claims and Standby GO Warrant Claims | | | |
| 2 (100.00%) | \$105,000,000.00 (100.00%) | 0 (0.00%) | \$0.00 (0.00%) |

20. The Commutation Election Report for Warrant Voting Classes 1-A and 1-B is attached hereto as Exhibit A and Exhibit B, respectively. The Commutation Election Report for Class 1-A includes the exercise of the Rescission of Deemed Election in respect of the one (1) holder of \$500,000 Series 2003-C-10 Sewer Warrants that exercised such right by the November 7, 2013 deadline for doing so.

Unacceptable Ballots

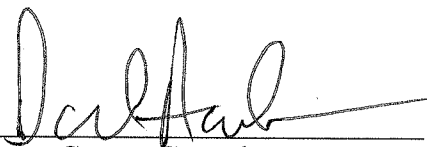
21. Attached as Exhibit C to this Certification is a detailed report of any Master Ballots or Ballots that were not included in the tabulation above because they did not satisfy the requirements for

a valid Ballot as set forth in the Solicitation Procedures Order for the reasons described below:

- a. Late-Filed Any Ballot received after the Ballot Deadline; or
- b. Improperly Submitted Any Beneficial Holder Ballot received directly by KCC that was not submitted to the Institutional Nominee for processing and submission on a Master Ballot.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief. If called to testify at trial on this matter, I would testify under oath to the facts stated in this Certification.

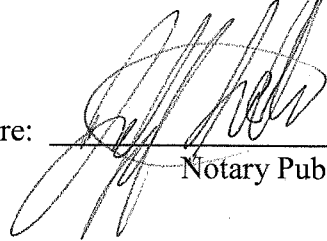
Dated: November 13, 2013

By: 
 Kurtzman Carson Consultants LLC
 Claims and Noticing Agent
 599 Lexington Avenue, 39th Floor
 New York, NY 10022
 Telephone: (917) 281-4800

State of New York, County of New York

Subscribed and sworn to before me on November 13, 2013, by David Hartie, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: 

 Notary Public



Exhibit A

Exhibit A

| Class Name | Class Description | Series | Insurer | Made Commutation Election | Deemed to Have Made Commutation Election | Not Making Commutation Election | Deemed to be Not Making Commutation Election | Rescission of Deemed Election (Series C-9 and C-10 only) | Amount Retaining Insurance | Resulting Tail Risk |
|------------|----------------------|------------|---------|---------------------------|--|---------------------------------|--|--|----------------------------|---------------------|
| 1-A | Sewer Warrant Claims | 1997-A | FGIC | \$38,261,400.00 | \$17,583,600.00 | \$1,185,000.00 | n/a | n/a | \$1,185,000.00 | \$237,000.00 |
| 1-A | Sewer Warrant Claims | 2001-A | FGIC | \$5,110,000.00 | \$4,655,000.00 | \$250,000.00 ¹ | n/a | n/a | \$225,000.00 | \$45,000.00 |
| 1-A | Sewer Warrant Claims | 2002-C-1 | Syncora | \$293,750,000.00 | \$3,550,000.00 | \$1,500,000.00 | n/a | n/a | \$1,500,000.00 | \$300,000.00 |
| 1-A | Sewer Warrant Claims | 2002-C-5 | Syncora | \$97,450,000.00 | \$850,000.00 | \$0.00 | n/a | n/a | \$0.00 | \$0.00 |
| 1-A | Sewer Warrant Claims | 2003-A SRF | n/a | \$0.00 | \$11,690,000.00 | \$0.00 | n/a | n/a | \$0.00 | \$0.00 |
| 1-A | Sewer Warrant Claims | 2003-B-1 | FGIC | \$704,000,000.00 | \$14,925,000.00 | \$450,000.00 | n/a | n/a | \$450,000.00 | \$90,000.00 |
| 1-A | Sewer Warrant Claims | 2003-B-8 | Assured | \$1,165,000.00 | n/a | \$28,255,000.00 | \$32,700,000.00 | n/a | \$60,955,000.00 | \$12,191,000.00 |
| 1-A | Sewer Warrant Claims | 2003-C-1 | FGIC | \$107,300,000.00 | \$2,700,000.00 | \$0.00 | n/a | n/a | \$0.00 | \$0.00 |
| 1-A | Sewer Warrant Claims | 2003-C-2 | FGIC | \$109,625,000.00 | \$375,000.00 | \$0.00 | n/a | n/a | \$0.00 | \$0.00 |
| 1-A | Sewer Warrant Claims | 2003-C-3 | FGIC | \$106,100,000.00 | \$3,900,000.00 | \$0.00 | n/a | n/a | \$0.00 | \$0.00 |
| 1-A | Sewer Warrant Claims | 2003-C-4 | FGIC | \$101,200,000.00 | \$8,675,000.00 | \$125,000.00 | n/a | n/a | \$125,000.00 | \$25,000.00 |
| 1-A | Sewer Warrant Claims | 2003-C-5 | FGIC | \$109,775,000.00 | \$7,225,000.00 | \$0.00 | n/a | n/a | \$0.00 | \$0.00 |
| 1-A | Sewer Warrant Claims | 2003-C-6 | FGIC | \$87,000,125.00 | \$499,875.00 | \$0.00 | n/a | n/a | \$0.00 | \$0.00 |
| 1-A | Sewer Warrant Claims | 2003-C-7 | FGIC | \$84,850,000.00 | \$2,650,000.00 | \$0.00 | n/a | n/a | \$0.00 | \$0.00 |
| 1-A | Sewer Warrant Claims | 2003-C-8 | FGIC | \$88,000,000.00 | \$0.00 | \$0.00 | n/a | n/a | \$0.00 | \$0.00 |
| 1-A | Sewer Warrant Claims | 2003-C-9 | Assured | \$94,300,000.00 | \$6,750,000.00 | \$7,650,000.00 | n/a | \$0.00 | \$7,650,000.00 | \$1,530,000.00 |
| 1-A | Sewer Warrant Claims | 2003-C-10 | Assured | \$78,925,000.00 | \$16,550,000.00 | \$12,775,000.00 | n/a | \$500,000.00 | \$13,275,000.00 | \$2,655,000.00 |

TOTAL \$17,073,000.00

1. Total includes a ballot returned with respect to one account holding \$25,000.00 of Series 2001-A warrants in CUSIP 472682JF1. Because Series 2001-A warrants in CUSIP 472682JF1 should be satisfied in full through the Reinstated Sewer Warrant Principal Payments to be made under the Plan, this account is not treated as one that has retained insurance or that creates any Tail Risk.

Exhibit B

Exhibit B

| Class Name | Class Description | Series | Made Commutation Election | Deemed to Have Made Commutation Election | Not Making Commutation Election | Deemed to be Not Making Commutation Election |
|-------------------|---|---------------|----------------------------------|---|--|---|
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2002-C-2 | \$47,711,810.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2002-C-3 | \$61,854,172.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2002-C-4 | \$47,664,771.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2002-C-6 | \$93,654,947.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2002-C-7 | \$31,770,242.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2003-B-2 | \$35,589,821.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2003-B-3 | \$16,167,356.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2003-B-4 | \$16,167,356.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2003-B-5 | \$48,520,884.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2003-B-6 | \$9,694,473.00 | \$0.00 | \$0.00 | n/a |
| 1-B | Bank Warrants Claims and Primary Standby Sewer Warrant Claims | 2003-B-7 | \$67,910,421.00 | \$0.00 | \$0.00 | n/a |

Exhibit C

Exhibit C

| Plan Class | Plan Class Description | Series | CUSIP | Creditor Name | Date Received | Date Signed | Voting Amount | Accept/Reject the Plan? | Make Commutation Election? | Reason Unacceptable |
|------------|------------------------|----------|-------------|---|---------------|-------------|----------------|-------------------------|----------------------------|---|
| 1-A | Sewer Warrant Claims | 1997-A | Unknown | Robert Carl Brutkiewicz | 10/7/2013 | 10/2/2013 | \$10,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot. |
| 1-A | Sewer Warrant Claims | 1997-A | Unknown | Roger McNiel | 10/4/2013 | 10/1/2013 | \$5,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot. |
| 1-A | Sewer Warrant Claims | 1997-A | 472682 MD 2 | Terry Knight | 9/30/2013 | 9/25/2013 | \$15,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot. |
| 1-A | Sewer Warrant Claims | 1997-A | 472682 MC 4 | Richard C Good | 10/8/2013 | 9/18/2013 | \$5,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot. |
| 1-A | Sewer Warrant Claims | 1997-A | 472682 NW 9 | Marion A Wall | 9/4/2013 | 8/30/2013 | \$5,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot. |
| 1-A | Sewer Warrant Claims | 1997-A | 472682 MD 2 | Estate of James Ralph Taylor | 9/10/2013 | 9/4/2013 | \$10,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot. |
| 1-A | Sewer Warrant Claims | 1997-A | 472682 MD 2 | Eloise Mae Turner | 9/9/2013 | 9/4/2013 | \$20,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot. |
| 1-A | Sewer Warrant Claims | 1997-A | 472682 MD 2 | LCM Capital Management | 10/7/2013 | 10/6/2013 | \$50,000.00 | Accept | Yes | Ballot received after the voting deadline / Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot. |
| 1-A | Sewer Warrant Claims | 1997-A | 472682 MD 2 | W Larkin Coker III | 9/10/2013 | 9/4/2013 | \$80,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 1-A | Sewer Warrant Claims | 1997-A | 472682 MD 2 | Joan Coker | 9/10/2013 | 9/4/2013 | \$5,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 1-A | Sewer Warrant Claims | 2001-A | 472682 JM 6 | Stephen S Cannon Trust | 9/6/2013 | 9/2/2013 | \$5,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 1-A | Sewer Warrant Claims | 2001-A | 472682 JM 6 | Ashley B Cannon Trust | 9/6/2013 | 9/2/2013 | \$5,000.00 | Accept | Yes | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 1-A | Sewer Warrant Claims | 2003-B-8 | 472682 MR 1 | Southern Farm Bureau Casualty Insurance Company | 10/8/2013 | 10/7/2013 | \$1,990,000.00 | Accept | Yes | Ballot received after the voting deadline / Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 1-A | Sewer Warrant Claims | 2003-B-8 | 472682 MR 1 | Florida Farm Bureau Casualty Insurance Company | 10/8/2013 | 10/7/2013 | \$750,000.00 | Accept | Yes | Ballot received after the voting deadline / Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 1-A | Sewer Warrant Claims | 2003-B-8 | 472682 MQ 3 | A Faye Dollar | 9/16/2013 | 9/3/2013 | \$35,000.00 | Accept | No box checked | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 1-A | Sewer Warrant Claims | 2003-B-8 | 472682 MS 9 | Petersen Family Trust | 9/18/2013 | 9/9/2013 | \$10,000.00 | Reject | No | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |

Exhibit C

| Plan Class | Plan Class Description | Series | CUSIP | Creditor Name | Date Received | Date Signed | Voting Amount | Accept/Reject the Plan? | Make Commutation Election? | Reason Unacceptable |
|------------|------------------------|----------|-------------|--|---------------|-------------|----------------|-------------------------|----------------------------|---|
| 1-A | Sewer Warrant Claims | 2003-B-8 | 472682 MQ 3 | US Bank | 10/7/2013 | 10/4/2013 | \$25,000.00 | Accept | No | Master Ballot submitted with no available copies of Beneficial Owner Ballots cast by underlying holders |
| 1-A | Sewer Warrant Claims | 2003-B-8 | 472682 MQ 3 | E*TRADE Clearing | 10/8/2013 | 10/1/2013 | \$85,000.00 | Reject | No | Ballot received after the voting deadline. |
| 1-A | Sewer Warrant Claims | 2003-B-8 | 472682 MS 9 | E*TRADE Clearing | 10/8/2013 | 10/7/2013 | \$110,000.00 | Reject | No | Ballot received after the voting deadline. |
| 1-A | Sewer Warrant Claims | 2003-B-8 | 472682 MQ 3 | JP Morgan Chase Bank NA, as nominee | 10/7/2013 | 10/7/2013 | \$3,285,000.00 | Accept | No | Ballot received after the voting deadline. |
| 2-A | 2004-A School Claims | 2004-A | 472653 AP 9 | Lorraine Maresca | 9/18/2013 | 9/16/2013 | \$20,000.00 | Accept | n/a | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 2-A | 2004-A School Claims | 2004-A | 472653 AU 8 | David C Stromswold & Ruth E Stromswold | 9/24/2013 | 9/17/2013 | \$40,000.00 | Accept | n/a | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 2-A | 2004-A School Claims | 2004-A | 472653 AP 9 | Jeffrey L Hogue | 9/30/2013 | 9/10/2013 | \$5,000.00 | Accept | n/a | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 2-A | 2004-A School Claims | 2004-A | 472653 AP 9 | Jeannine F Hogue | 9/30/2013 | not dated | unknown | Accept | n/a | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 2-A | 2004-A School Claims | 2004-A | 472653 AS 3 | William A Mitchell & Gladys B Mitchell | 9/30/2013 | 9/13/2013 | unknown | Accept | n/a | Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot |
| 2-A | 2004-A School Claims | 2004-A | 472653 AJ 3 | SEI Private Trust Company | 10/7/2013 | 10/4/2013 | \$25,000.00 | Accept | n/a | Master Ballot submitted with no available copies of Beneficial Owner Ballots cast by underlying holders |
| 2-A | 2004-A School Claims | 2004-A | 472653 AT 1 | Ila Belle N Weaver | 10/22/2013 | 9/17/2013 | \$10,000.00 | Accept | n/a | Ballot received after the voting deadline / Improperly submitted Beneficial Owner Ballot which should have been returned to Institutional Nominee for processing and submission on a Master Ballot. |

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

-----X
:

In re: : Case No. 11-05736-TBB

:

JEFFERSON COUNTY, ALABAMA, a : Chapter 9

political subdivision of the State of Alabama, :

:

Debtor. :

-----X

AFFIDAVIT OF SERVICE

I, David Hartie, a non-attorney, depose and say under the penalty of perjury:

1. I am employed by Kurtzman Carson Consultants LLC (“KCC”), the balloting agent for Jefferson County, Alabama (the “County”), the debtor in the above-referenced case. My business address is 599 Lexington Avenue, 39th Floor, New York, NY 10022. I am over the age of 18 and not a party to this action. Except as otherwise noted, I could and would testify to the following based upon my personal knowledge. I submit this Affidavit in connection with the service of rescission of deemed election packages for the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1911**] (the “Plan”).
2. On July 3, 2013, the County filed its *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, the “Solicitation Procedures Motion”).¹ On August 7, 2013, the Court entered its *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* [**Docket No. 1975**] (the “Solicitation Procedures Order”), thereby approving the Solicitation Procedures Motion.
3. On October 9, 2013, in accordance with the Solicitation Procedures Order, I caused the following documents to be served 1) via First Class mail to each of the parties on the service list attached hereto as **Exhibit A**; and 2) via Email to each of the parties on the service list attached hereto as **Exhibit B**:
 - (a) Rescission of Deemed Election Notice (attached hereto as **Exhibit C**);
 - (b) Rescission of Deemed Election form for Beneficial Holders of Series 2003-C-9 through C-10 Sewer Warrants for CUSIP 472682NJ8 (attached hereto as **Exhibit D**); and
 - (c) Rescission of Deemed Election master form for Institutional Nominees of Beneficial Holders of Series 2003-C-9 through C-10 Sewer Warrants for CUSIP 472682NJ8 [attached hereto as **Exhibit E**].
4. Further, on October 9, 2013, I caused the following documents to be served 1) via First Class mail to each of the parties on the service list attached hereto as **Exhibit F**; and 2) via Email to each of the parties on the service list attached hereto as **Exhibit G**:

C.392

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Solicitation Procedures Motion.

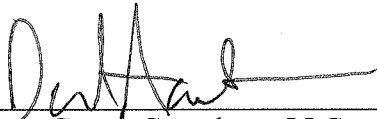


1105736131101000000000008

- (a) Rescission of Deemed Election Notice (attached hereto as **Exhibit C**);
- (b) Rescission of Deemed Election form for Beneficial Holders of Series 2003-C-9 through C-10 Sewer Warrants for CUSIP 472682 NK 5 (attached hereto as **Exhibit H**); and
- (c) Rescission of Deemed Election master form for Institutional Nominees of Beneficial Holders of Series 2003-C-9 through C-10 Sewer Warrants for CUSIP 472682NK5 (attached hereto as **Exhibit I**).

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief. If called to testify at trial on this matter, I would testify under oath to the facts stated in this Affidavit.

Dated this 1st day of November, 2013

By: 
 Kurtzman Carson Consultants LLC
 Claims and Noticing Agent
 599 Lexington Ave, 39th Fl
 New York, NY 10022
 Telephone: (917) 281-4800

State of New York, County of New York

Subscribed and sworn to before me on November 1, 2013, by David Hartie, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

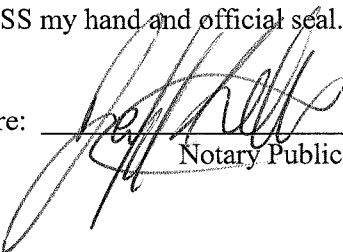
Signature: 
 Notary Public



Exhibit A

Exhibit A

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|----------------------------------|-----------------|--------------------------|-----------|------------|-------|-------|
| Charles Schwab & Co Inc. | Benjamin Gibson | 2423 E Lincoln Dr | | Phoenix | AZ | 85016 |
| Credit Suisse Securities USA LLC | Ed Calderon | 1 Madison Ave | 2nd Fl | New York | NY | 10010 |
| Pershing LLC | Brian Ebrecht | 300 Colonial Center Pkwy | Suite 400 | Lake Mary | FL | 32746 |
| TD Ameritrade | Sarah MacDonald | 200 S 108th Ave | | Omaha | NE | 68154 |
| The Bank of New York Mellon | Melissa Morrow | 525 William Penn Place | Rm 300 | Pittsburgh | PA | 15259 |

Exhibit B

Exhibit B

| Company | Name | Email |
|----------------------------------|-----------------|--|
| Charles Schwab & Co Inc. | Benjamin Gibson | Benjamin.Gibson@schwab.com |
| TD Ameritrade | Sarah MacDonald | sarah.macdonald@tdameritrade.com |
| Credit Suisse Securities USA LLC | Ed Calderon | edward.calderon@credit-suisse.com |
| Pershing LLC | Brian Ebrecht | bebrecht@pershing.com; demeco.archangel@pershing.com |
| The Bank of New York Mellon | Melissa Morrow | melissa.morrow@bnymellon.com |

Exhibit C

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

| | | |
|--|--|---|
| <p>In re:</p> <p>JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama,</p> <p style="text-align: center;">Debtor.</p> | <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> | <p>Case No. 11-05736-TBB</p> <p>Chapter 9</p> |
|--|--|---|

**RESCISSION OF DEEMED ELECTION NOTICE FOR CERTAIN BENEFICIAL OWNERS OF
THE SERIES 2003-C-9 THROUGH C-10 SEWER WARRANTS**

PLEASE TAKE NOTICE THAT by order dated August 7, 2013 (the “Disclosure Statement Order”), the United States Bankruptcy Court for the Northern District of Alabama, Southern Division 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”), filed by Jefferson County, Alabama (the “County”). The Disclosure Statement Order authorizes the County to solicit votes to accept or reject 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 of thereof and Bankruptcy Code section 942, the “Plan”)¹, and distribute Solicitation Packages containing solicitation materials related to such voting, from the holders of Impaired Claims that are (or may be) entitled to receive Distributions under the Plan, in accordance with the *Order Approving: (A) the Form, Scope and Nature of Solicitation, Balloting, Tabulation, and Notices with Respect to the Plan; and (B) Related Confirmation Procedures, Deadlines, and Notices*, dated August 7, 2013 (the “Plan Procedures Order”).

Although you have previously received a package soliciting your (1) acceptance or rejection of the Plan and (2) your Commutation Election, this Rescission of Deemed Election Notice is being sent to you because you are, as of August 6, 2013 (the “Ballot Record Date”), the beneficial owner of Series 2003-C-9 Through C-10 Sewer Claims, which are classified as Claims in Class 1-A for purposes of voting on the Plan, and you have been deemed, as of October 7, 2013 at 5:00 p.m. (prevailing Central time) (the “Ballot Deadline” as established under the Plan Procedures Order), to have made the Commutation Election with respect to any Series 2003-C-9 Through C-10 Sewer Claims that you own because you either (1) did not return your Ballot by the Ballot Deadline, (2) returned a Ballot by the Ballot Deadline but did not make any election with respect to the Commutation Election, or (3) returned a Ballot by the Ballot Deadline and indicated both an election to make and an election not to make the Commutation Election.

In accordance with Section 4.7(a) of the Plan, as a beneficial holder of the Series 2003-C-9 Through C-10 Sewer Claims that is deemed to have made the Commutation Election under the Plan, you may elect to rescind such deemed Commutation Election by providing written notice thereof in the beneficial owner form attached hereto as **Exhibit A** (the “Rescission of Deemed Election Beneficial”).

¹ All capitalized terms used but not otherwise defined herein have the meanings set forth in the Plan or 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* (as subsequently amended on July 29, 2013, the “Plan Procedures Motion”).

Form”) to your Institutional Nominee so that such Institutional Nominee can (i) process such Rescission of Deemed Election Beneficial Form and deliver a master form, in the form attached hereto as **Exhibit B** (the “**Rescission of Deemed Election Master Form**”), to the Ballot Tabulator; and (ii) deliver copies of all properly completed Rescission of Deemed Election Beneficial Forms to each of the Ballot Tabulator, Assured Guaranty Municipal Corp. (“**Assured**”), and the County, so that the Rescission of Deemed Election Master Forms and the Rescission of Deemed Election Beneficial Forms are actually received by each of them, as applicable, on or before **November 5, 2013 at 5:00 p.m. (prevailing Central time)** (the “**Rescission Deadline**”).

IN ORDER TO BE COUNTED, ALL RESCISSION OF DEEMED ELECTION FORMS MUST BE RETURNED TO YOUR INSTITUTIONAL NOMINEE BY THE APPLICABLE DEADLINE SET BY YOUR INSTITUTIONAL NOMINEE TO ALLOW YOUR INSTITUTIONAL NOMINEE TO (I) PROCESS YOUR INSTRUCTIONS AND DELIVER A RESCISSION OF DEEMED ELECTION MASTER FORM TO THE BALLOT TABULATOR BY THE RESCISSION DEADLINE, AND (II) DELIVER COPIES OF YOUR RESCISSION OF DEEMED ELECTION BENEFICIAL FORMS TO EACH OF THE BALLOT TABULATOR, THE COUNTY, AND ASSURED, BY THE RESCISSION DEADLINE. RESCISSION OF DEEMED ELECTION FORMS THAT ARE NOT FULLY COMPLETED AND EXECUTED, OR ARE RECEIVED LATE WILL NOT BE COUNTED AND YOU WILL BE CONCLUSIVELY DEEMED TO MAKE THE COMMUTATION ELECTION.

IF YOU MAKE THE RESCISSION OF DEEMED ELECTION, YOUR INSTITUTIONAL NOMINEE MUST TENDER YOUR WARRANTS INTO THE ELECTION ACCOUNT ESTABLISHED AT THE DEPOSITORY TRUST COMPANY (“DTC**”) FOR THAT PURPOSE. SERIES 2003-C-9 THROUGH C-10 SEWER CLAIMS MAY NOT BE WITHDRAWN FROM THE ELECTION ACCOUNT AFTER YOUR INSTITUTIONAL NOMINEE HAS TENDERED THEM AT DTC. ONCE YOUR SERIES 2003-C-9 THROUGH C-10 SEWER CLAIMS HAVE BEEN TENDERED NO FURTHER TRADING WILL BE PERMITTED WITH ANY SERIES 2003-C-9 THROUGH C-10 SEWER CLAIMS HELD IN THE ELECTION ACCOUNT. IF THE PLAN IS NOT CONFIRMED, DTC WILL, IN ACCORDANCE WITH ITS CUSTOMARY PRACTICES AND PROCEDURES, RETURN ALL SERIES 2003-C-9 THROUGH C-10 SEWER CLAIMS HELD IN THE ELECTION ACCOUNT TO THE APPLICABLE INSTITUTIONAL NOMINEE FOR CREDIT TO THE ACCOUNT OF THE UNDERLYING BENEFICIAL OWNER.**

IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR CLAIM(S), THE STATUS OF ANY DEEMED ELECTION, OR THE RESCISSION OF DEEMED ELECTION, OR WANT TO REQUEST A COPY OF THE PLAN, DISCLOSURE STATEMENT, DISCLOSURE STATEMENT ORDER, PLAN PROCEDURES MOTION, AND/OR PLAN PROCEDURES ORDER, PLEASE CONTACT THE BALLOT TABULATOR BY TELEPHONE AT 877-833-4150, OR EMAIL AT JEFFERSONCOUNTYINFO@KCCLLC.COM. PLEASE BE ADVISED THAT THE BALLOT TABULATOR CANNOT PROVIDE LEGAL ADVICE.

DATED: October 9, 2013

/s/

BRADLEY ARANT BOULT CUMMINGS LLP
J. Patrick Darby

-and-

KLEE, TUCHIN, BOGDANOFF & STERN LLP
Counsel for Jefferson County, Alabama

Exhibit D

**RESCISSION OF DEEMED ELECTION FORM FOR BENEFICIAL OWNERS OF
SERIES 2003-C-9 THROUGH C-10 SEWER WARRANTS**

THIS FORM (THE “RESCISSION OF DEEMED ELECTION FORM”) IS TO BE USED BY BENEFICIAL OWNERS OF SERIES 2003-C-9 THROUGH C-10 SEWER CLAIMS, WHICH ARE CLAIMS IN CLASS 1-A FOR PURPOSES OF VOTING ON THE *CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA (DATED JULY 29, 2013)* (AS AMENDED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS OF THE PLAN AND BANKRUPTCY CODE SECTION 942, THE “PLAN”), THAT (A) HAVE BEEN DEEMED TO MAKE THE COMMUTATION ELECTION PROVIDED UNDER THE PLAN BECAUSE THEY (1) DID NOT RETURN A BALLOT BY THE BALLOT DEADLINE, (2) DID NOT INDICATE AN ELECTION ON ANY BALLOT THAT WAS RETURNED BY THE BALLOT DEADLINE, OR (3) RETURNED A BALLOT BY THE BALLOT DEADLINE AND INDICATED BOTH AN ELECTION TO MAKE AND AN ELECTION NOT TO MAKE THE COMMUTATION ELECTION; AND (B) ARE ELECTING TO RESCIND SUCH DEEMED COMMUTATION ELECTION.

IF YOU ARE CHOOSING TO RESCIND YOUR DEEMED COMMUTATION ELECTION, PLEASE COMPLETE, SIGN, AND DATE THIS RESCISSION OF DEEMED ELECTION FORM AND RETURN IT IN THE ENCLOSED ENVELOPE TO YOUR INSTITUTIONAL NOMINEE BY THE APPLICABLE DEADLINE SET BY YOUR INSTITUTIONAL NOMINEE TO ALLOW YOUR INSTITUTIONAL NOMINEE TO (I) PROCESS YOUR INSTRUCTIONS AND DELIVER A MASTER FORM TO KURTZMAN CARSON CONSULTANTS LLC (THE “BALLOT TABULATOR”), AND (II) DELIVER COPIES OF YOUR PROPERLY COMPLETED RESCISSION OF DEEMED ELECTION FORM TO EACH OF THE BALLOT TABULATOR, JEFFERSON COUNTY (THE “COUNTY”), AND ASSURED GUARANTY MUNICIPAL CORP. (“ASSURED”), SO THAT THE MASTER FORM AND YOUR RESCISSION OF DEEMED ELECTION FORM ARE ACTUALLY RECEIVED BY EACH OF THEM, AS APPLICABLE, ON OR BEFORE NOVEMBER 5, 2013 AT 5:00 P.M. (PREVAILING CENTRAL TIME) (THE “RESCISSION DEADLINE”).

PLEASE COMPLETE THE FOLLOWING THREE ITEMS:

ITEM 1. Principal Amount of Class 1-A Claims. The undersigned certifies that as of August 6, 2013 (the “Ballot Record Date”), the undersigned was the beneficial owner (the “Beneficial Owner”) of Series 2003-C-9 Through C-10 Sewer Warrants in the aggregate unpaid principal amount set forth below.

| | |
|-------------------|----------|
| Principal Amount: | \$ _____ |
|-------------------|----------|

ITEM 2. Rescission of Deemed Election. In accordance with Section 4.7(a) of the Plan, any holders of Allowed Class 1-A Claims related to any of the Series 2003-C-9 Through C-10 Sewer Warrants that are deemed to make the “Commutation Election” under the Plan may rescind such Commutation Election by providing written notice thereof (the “Rescission of Deemed Election”) by the Rescission Deadline. You should carefully review the Plan and Disclosure Statement to determine whether you wish to rescind your deemed Commutation Election by making the Rescission of Deemed Election.

The Beneficial Owner of the aggregate principal amount of Class 1-A Claims consisting of Series 2003-C-9 Through C-10 Sewer Claims set forth above in Item 1 hereby elects with respect to such Claims in Class 1-A as follows (check the box only if you wish to make the Rescission of Deemed Election):

| |
|---|
| <p><u>MAKE RESCISSION OF DEEMED ELECTION</u></p> <p style="text-align: center;"><input type="checkbox"/></p> |
|---|

IN ORDER TO BE COUNTED, YOUR RESCISSION OF DEEMED ELECTION FORM MUST BE RETURNED TO YOUR INSTITUTIONAL NOMINEE BY THE APPLICABLE DEADLINE SET BY YOUR INSTITUTIONAL NOMINEE TO ALLOW YOUR INSTITUTIONAL NOMINEE TO (I) PROCESS YOUR INSTRUCTIONS AND DELIVER A MASTER FORM TO THE BALLOT TABULATOR BY THE RESCISSION DEADLINE, AND (II) DELIVER COPIES OF YOUR PROPERLY COMPLETED RESCISSION OF DEEMED ELECTION FORM TO EACH OF THE BALLOT TABULATOR, THE COUNTY, AND ASSURED, BY THE RESCISSION DEADLINE. RESCISSION OF DEEMED ELECTION FORMS THAT ARE NOT FULLY COMPLETED AND EXECUTED, OR ARE RECEIVED LATE WILL NOT BE COUNTED AND YOU WILL BE CONCLUSIVELY DEEMED TO MAKE THE COMMUTATION ELECTION.

IF YOU MAKE THE RESCISSION OF DEEMED ELECTION, YOUR INSTITUTIONAL NOMINEE MUST TENDER YOUR CLASS 1-A SEWER WARRANTS INTO THE ELECTION ACCOUNT ESTABLISHED AT THE DEPOSITORY TRUST COMPANY (“DTC”) FOR THAT PURPOSE. CLASS 1-A WARRANT CLAIMS MAY NOT BE WITHDRAWN FROM THE ELECTION ACCOUNT AFTER YOUR INSTITUTIONAL NOMINEE HAS TENDERED THEM AT DTC. ONCE YOUR CLASS 1-A WARRANT CLAIMS HAVE BEEN TENDERED NO FURTHER TRADING WILL BE PERMITTED WITH ANY CLASS 1-A WARRANT CLAIMS HELD IN THE ELECTION ACCOUNT. IF THE PLAN IS NOT CONFIRMED, DTC WILL, IN ACCORDANCE WITH ITS CUSTOMARY PRACTICES AND PROCEDURES, RETURN ALL CLASS 1-A WARRANT CLAIMS HELD IN THE ELECTION ACCOUNT TO THE APPLICABLE INSTITUTIONAL NOMINEE FOR CREDIT TO THE ACCOUNT OF THE UNDERLYING BENEFICIAL OWNER.

ITEM 3. **Certification.** By signing this Rescission of Deemed Election Form, the undersigned certifies that he, she, or it was, as of the Ballot Record Date, the Beneficial Owner of the Claims in Class 1-A identified in Item 1 above to which this Rescission of Deemed Election pertains or is an authorized signatory, and has full power and authority to make the Rescission of Deemed Election.

| | |
|---|-------|
| Print or Type Name of Beneficial 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: | _____ |

IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR CLAIM(S), THE STATUS OF ANY DEEMED ELECTION, OR THE RESCISSION OF DEEMED ELECTION, PLEASE CONTACT THE BALLOT TABULATOR BY TELEPHONE AT 877-833-4150, OR EMAIL AT JEFFERSONCOUNTYINFO@KCCLLC.COM. PLEASE BE ADVISED THAT THE BALLOT TABULATOR CANNOT PROVIDE LEGAL ADVICE.

Exhibit E

RESCISSION OF DEEMED ELECTION MASTER FORM FOR INSTITUTIONAL NOMINEES OF BENEFICIAL OWNERS OF SERIES 2003-C-9 THROUGH C-10 SEWER WARRANTS

THIS MASTER FORM (THE “RESCISSION OF DEEMED ELECTION MASTER FORM”) IS TO BE USED BY YOU (AS A BROKER, BANK, COMMERCIAL BANK, TRUST COMPANY, DEALER, OR OTHER AGENT OR NOMINEE (EACH OF THE FOREGOING, AN “INSTITUTIONAL NOMINEE”) FOR THE BENEFICIAL OWNERS (EACH, A “BENEFICIAL OWNER”) OF SERIES 2003-C-9 THROUGH C-10 SEWER CLAIMS, WHICH ARE CLAIMS IN CLASS 1-A FOR PURPOSES OF VOTING ON THE *CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA (DATED JULY 29, 2013)* (AS AMENDED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS OF THE PLAN AND BANKRUPTCY CODE SECTION 942, THE “PLAN”), THAT (A) HAVE BEEN DEEMED TO MAKE THE COMMUTATION ELECTION PROVIDED UNDER THE PLAN BECAUSE THEY (1) DID NOT RETURN A BALLOT BY THE BALLOT DEADLINE, (2) DID NOT INDICATE AN ELECTION ON ANY BALLOT THAT WAS RETURNED BY THE BALLOT DEADLINE, OR (3) RETURNED A BALLOT BY THE BALLOT DEADLINE AND INDICATED BOTH AN ELECTION TO MAKE AND AN ELECTION NOT TO MAKE THE COMMUTATION ELECTION; AND (B) ARE ELECTING TO RESCIND SUCH DEEMED COMMUTATION ELECTION.

PLEASE COMPLETE, SIGN, AND DATE THIS RESCISSION OF DEEMED ELECTION MASTER FORM AND RETURN IT TO KURTZMAN CARSON CONSULTANTS LLC (THE “BALLOT TABULATOR”) BY NOVEMBER 5, 2013 AT 5:00 P.M. (PREVAILING CENTRAL TIME) (THE “RESCISSION DEADLINE”) AT THE FOLLOWING ADDRESS:

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

PLEASE ALSO RETURN COPIES OF ALL RESCISSION OF DEEMED ELECTION FORMS RECEIVED BY YOU FROM BENEFICIAL OWNERS (EACH, A “RESCISSION OF DEEMED ELECTION BENEFICIAL FORM”) TO EACH OF (I) THE BALLOT TABULATOR, (II) JEFFERSON COUNTY (THE “COUNTY”), AND (III) ASSURED GUARANTY MUNICIPAL CORP. (“ASSURED”) BY THE RESCISSION DEADLINE AT THE FOLLOWING ADDRESSES:

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

Counsel to Jefferson County
Bradley Arant Boult Cummings LLP
Attn: J. Patrick Darby, Esq.
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
 Attn: Kenneth N. Klee, Esq.
 1999 Avenue of the Stars, 39th Floor
 Los Angeles, CA 90067

Counsel to Assured Guaranty Municipal Corp.
 Chadbourne & Parke LLP
 Attn: Samuel S. Kohn, Esq.
 30 Rockefeller Center
 New York, NY 10122

IF THIS RESCISSION OF DEEMED ELECTION MASTER FORM OR ANY OF THE COPIES OF RESCISSION OF DEEMED ELECTION BENEFICIAL FORMS ARE NOT ACTUALLY RECEIVED BY THE APPLICABLE PARTIES LISTED ABOVE BY THE RESCISSION DEADLINE, THE RESCISSION OF DEEMED ELECTION OF YOUR CUSTOMERS WILL NOT BE COUNTED AND SUCH BENEFICIAL OWNERS WILL BE CONCLUSIVELY DEEMED TO MAKE THE COMMUTATION ELECTION.

PLEASE COMPLETE THE FOLLOWING TWO ITEMS:

ITEM 1. Rescission of Deemed Election. The undersigned transmits the following rescission of Beneficial Owners of Series 2003-C-9 Through C-10 Sewer Claims made in Item 2 of each Rescission of Deemed Election Beneficial Form and certifies that the following are Beneficial Owners, as of August 6, 2013 (the “Ballot Record Date”), and have delivered to the undersigned, as Institutional Nominee, Rescission of Deemed Election Beneficial Forms making such rescission:

| Your Account Number for Each Beneficial Owner Making the Rescission of Deemed Election* | Principal Amount of Claims | VOI Number from DTC** |
|---|----------------------------|-----------------------|
| 1. | \$ | |
| 2. | \$ | |
| 3. | \$ | |
| 4. | \$ | |
| 5. | \$ | |
| 6. | \$ | |
| 7. | \$ | |
| 8. | \$ | |
| 9. | \$ | |
| 10. | \$ | |
| TOTALS | \$ | |

* If space provided is insufficient, attach additional sheets in same format.

** The underlying Series 2003-C-9 Through C-10 Sewer Claims held by those Beneficial Owners making the Rescission of Deemed Election are to be tendered into the election account established at The Depository Trust Company ("DTC") for that purpose. Input the corresponding VOI number received from DTC in the appropriate column in the table above if the Beneficial Owner made such Rescission of Deemed Election in Item 2 of its Rescission of Deemed Election Beneficial Form. Series 2003-C-9 Through C-10 Sewer Claims may not be withdrawn from the DTC election account once tendered. No further trading will be permitted in the Series 2003-C-9 Through C-10 Sewer Claims held in the election account at DTC. If the Plan is not confirmed, DTC will, in accordance with its customary practices and procedures, return all Series 2003-C-9 Through C-10 Sewer Claims held in the election account to the applicable Institutional Nominee for credit to the account of the applicable Beneficial Owner.

ITEM 2. Certification. By signing this Rescission of Deemed Election Master Form, the undersigned certifies that:

- (i) each Beneficial Owner whose rescission is being transmitted by this Rescission of Deemed Election Master Form has been provided with a copy of the Rescission of Deemed Election Notice and a Rescission of Deemed Election Beneficial Form;
- (ii) it has received a completed and signed Rescission of Deemed Election Beneficial Form from each Beneficial Owner listed in Item 1 of this Rescission of Deemed Election Master Form;
- (iii) it is the registered holder of the Series 2003-C-9 Through C-10 Sewer Claims to which this Rescission of Deemed Election Master Form pertains;
- (iv) it has properly disclosed:
 - a. the number of Beneficial Owners who completed Rescission of Deemed Election Beneficial Forms;
 - b. the respective amounts of the Series 2003-C-9 Through C-10 Sewer Claims held by each Beneficial Owner who completed a Rescission of Deemed Election Beneficial Form; and
 - c. the customer account or other identification number for each such Beneficial Owner.

Name of Institutional Nominee

Participant Number

Signature

If by Authorized Agent, Name, and Title

Street Address

City, State, and Zip Code

Telephone Number

Email Address

Date Completed

IF YOU HAVE ANY QUESTIONS REGARDING THE RESCISSION OF DEEMED ELECTION MASTER FORM OR THE INSTRUCTIONS ABOVE, PLEASE CONTACT THE BALLOT TABULATOR BY TELEPHONE AT 877-833-4150 OR BY EMAIL AT JEFFERSONCOUNTYINFO@KCCLLC.COM. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

Exhibit F

Exhibit F

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|----------------------------------|------------------|--------------------------|-------------------|-------------|-------|-------|
| Credit Suisse Securities USA LLC | Ed Calderon | 1 Madison Ave | 2nd Fl | New York | NY | 10010 |
| National Financial Services LLC | Nick Sanguedolce | 499 Washington Blvd | Reorg Dept 5th Fl | Jersey City | NJ | 07310 |
| Pershing LLC | Brian Ebrecht | 300 Colonial Center Pkwy | Suite 400 | Lake Mary | FL | 32746 |
| Stifel Nicolaus & Co Inc | Greg Schadeegg | 501 N Broadway | 7th Fl | St. Louis | MO | 63102 |
| UBS Financial | Thomas Torillo | 480 Washington Blvd | | Jersey City | NJ | 07310 |

Exhibit G

Exhibit G

| Company | Name | Email |
|----------------------------------|------------------|--|
| Credit Suisse Securities USA LLC | Ed Calderon | edward.calderon@credit-suisse.com |
| National Financial Services LLC | Nick Sanguedolce | Nick.Sanguedolce@fmr.com |
| Pershing LLC | Brian Ebrecht | bebrecht@pershing.com; demeco.archangel@pershing.com |
| Stifel Nicolaus & Co Inc | Greg Schadegg | schadeggg@stifel.com |
| UBS Financial | Thomas Torillo | thomas.torrillo@ubs.com |

Exhibit H

**RESCISSION OF DEEMED ELECTION FORM FOR BENEFICIAL OWNERS OF
SERIES 2003-C-9 THROUGH C-10 SEWER WARRANTS**

THIS FORM (THE “RESCISSION OF DEEMED ELECTION FORM”) IS TO BE USED BY BENEFICIAL OWNERS OF SERIES 2003-C-9 THROUGH C-10 SEWER CLAIMS, WHICH ARE CLAIMS IN CLASS 1-A FOR PURPOSES OF VOTING ON THE *CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA (DATED JULY 29, 2013)* (AS AMENDED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS OF THE PLAN AND BANKRUPTCY CODE SECTION 942, THE “PLAN”), THAT (A) HAVE BEEN DEEMED TO MAKE THE COMMUTATION ELECTION PROVIDED UNDER THE PLAN BECAUSE THEY (1) DID NOT RETURN A BALLOT BY THE BALLOT DEADLINE, (2) DID NOT INDICATE AN ELECTION ON ANY BALLOT THAT WAS RETURNED BY THE BALLOT DEADLINE, OR (3) RETURNED A BALLOT BY THE BALLOT DEADLINE AND INDICATED BOTH AN ELECTION TO MAKE AND AN ELECTION NOT TO MAKE THE COMMUTATION ELECTION; AND (B) ARE ELECTING TO RESCIND SUCH DEEMED COMMUTATION ELECTION.

IF YOU ARE CHOOSING TO RESCIND YOUR DEEMED COMMUTATION ELECTION, PLEASE COMPLETE, SIGN, AND DATE THIS RESCISSION OF DEEMED ELECTION FORM AND RETURN IT IN THE ENCLOSED ENVELOPE TO YOUR INSTITUTIONAL NOMINEE BY THE APPLICABLE DEADLINE SET BY YOUR INSTITUTIONAL NOMINEE TO ALLOW YOUR INSTITUTIONAL NOMINEE TO (I) PROCESS YOUR INSTRUCTIONS AND DELIVER A MASTER FORM TO KURTZMAN CARSON CONSULTANTS LLC (THE “BALLOT TABULATOR”), AND (II) DELIVER COPIES OF YOUR PROPERLY COMPLETED RESCISSION OF DEEMED ELECTION FORM TO EACH OF THE BALLOT TABULATOR, JEFFERSON COUNTY (THE “COUNTY”), AND ASSURED GUARANTY MUNICIPAL CORP. (“ASSURED”), SO THAT THE MASTER FORM AND YOUR RESCISSION OF DEEMED ELECTION FORM ARE ACTUALLY RECEIVED BY EACH OF THEM, AS APPLICABLE, ON OR BEFORE NOVEMBER 5, 2013 AT 5:00 P.M. (PREVAILING CENTRAL TIME) (THE “RESCISSION DEADLINE”).

PLEASE COMPLETE THE FOLLOWING THREE ITEMS:

ITEM 1. Principal Amount of Class 1-A Claims. The undersigned certifies that as of August 6, 2013 (the “Ballot Record Date”), the undersigned was the beneficial owner (the “Beneficial Owner”) of Series 2003-C-9 Through C-10 Sewer Warrants in the aggregate unpaid principal amount set forth below.

| | |
|-------------------|----------|
| Principal Amount: | \$ _____ |
|-------------------|----------|

ITEM 2. Rescission of Deemed Election. In accordance with Section 4.7(a) of the Plan, any holders of Allowed Class 1-A Claims related to any of the Series 2003-C-9 Through C-10 Sewer Warrants that are deemed to make the “Commutation Election” under the Plan may rescind such Commutation Election by providing written notice thereof (the “Rescission of Deemed Election”) by the Rescission Deadline. You should carefully review the Plan and Disclosure Statement to determine whether you wish to rescind your deemed Commutation Election by making the Rescission of Deemed Election.

The Beneficial Owner of the aggregate principal amount of Class 1-A Claims consisting of Series 2003-C-9 Through C-10 Sewer Claims set forth above in Item 1 hereby elects with respect to such Claims in Class 1-A as follows (check the box only if you wish to make the Rescission of Deemed Election):

| |
|---|
| <p><u>MAKE RESCISSION OF DEEMED ELECTION</u></p> <p style="text-align: center;"><input type="checkbox"/></p> |
|---|

IN ORDER TO BE COUNTED, YOUR RESCISSION OF DEEMED ELECTION FORM MUST BE RETURNED TO YOUR INSTITUTIONAL NOMINEE BY THE APPLICABLE DEADLINE SET BY YOUR INSTITUTIONAL NOMINEE TO ALLOW YOUR INSTITUTIONAL NOMINEE TO (I) PROCESS YOUR INSTRUCTIONS AND DELIVER A MASTER FORM TO THE BALLOT TABULATOR BY THE RESCISSION DEADLINE, AND (II) DELIVER COPIES OF YOUR PROPERLY COMPLETED RESCISSION OF DEEMED ELECTION FORM TO EACH OF THE BALLOT TABULATOR, THE COUNTY, AND ASSURED, BY THE RESCISSION DEADLINE. RESCISSION OF DEEMED ELECTION FORMS THAT ARE NOT FULLY COMPLETED AND EXECUTED, OR ARE RECEIVED LATE WILL NOT BE COUNTED AND YOU WILL BE CONCLUSIVELY DEEMED TO MAKE THE COMMUTATION ELECTION.

IF YOU MAKE THE RESCISSION OF DEEMED ELECTION, YOUR INSTITUTIONAL NOMINEE MUST TENDER YOUR CLASS 1-A SEWER WARRANTS INTO THE ELECTION ACCOUNT ESTABLISHED AT THE DEPOSITORY TRUST COMPANY (“DTC”) FOR THAT PURPOSE. CLASS 1-A WARRANT CLAIMS MAY NOT BE WITHDRAWN FROM THE ELECTION ACCOUNT AFTER YOUR INSTITUTIONAL NOMINEE HAS TENDERED THEM AT DTC. ONCE YOUR CLASS 1-A WARRANT CLAIMS HAVE BEEN TENDERED NO FURTHER TRADING WILL BE PERMITTED WITH ANY CLASS 1-A WARRANT CLAIMS HELD IN THE ELECTION ACCOUNT. IF THE PLAN IS NOT CONFIRMED, DTC WILL, IN ACCORDANCE WITH ITS CUSTOMARY PRACTICES AND PROCEDURES, RETURN ALL CLASS 1-A WARRANT CLAIMS HELD IN THE ELECTION ACCOUNT TO THE APPLICABLE INSTITUTIONAL NOMINEE FOR CREDIT TO THE ACCOUNT OF THE UNDERLYING BENEFICIAL OWNER.

ITEM 3. **Certification.** By signing this Rescission of Deemed Election Form, the undersigned certifies that he, she, or it was, as of the Ballot Record Date, the Beneficial Owner of the Claims in Class 1-A identified in Item 1 above to which this Rescission of Deemed Election pertains or is an authorized signatory, and has full power and authority to make the Rescission of Deemed Election.

| | |
|---|-------|
| Print or Type Name of Beneficial 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: | _____ |

IF YOU HAVE ANY QUESTIONS ABOUT THE STATUS OF YOUR CLAIM(S), THE STATUS OF ANY DEEMED ELECTION, OR THE RESCISSION OF DEEMED ELECTION, PLEASE CONTACT THE BALLOT TABULATOR BY TELEPHONE AT 877-833-4150, OR EMAIL AT JEFFERSONCOUNTYINFO@KCCLLC.COM. PLEASE BE ADVISED THAT THE BALLOT TABULATOR CANNOT PROVIDE LEGAL ADVICE.

Exhibit I

RESCISSION OF DEEMED ELECTION MASTER FORM FOR INSTITUTIONAL NOMINEES OF BENEFICIAL OWNERS OF SERIES 2003-C-9 THROUGH C-10 SEWER WARRANTS

THIS MASTER FORM (THE “RESCISSION OF DEEMED ELECTION MASTER FORM”) IS TO BE USED BY YOU (AS A BROKER, BANK, COMMERCIAL BANK, TRUST COMPANY, DEALER, OR OTHER AGENT OR NOMINEE (EACH OF THE FOREGOING, AN “INSTITUTIONAL NOMINEE”) FOR THE BENEFICIAL OWNERS (EACH, A “BENEFICIAL OWNER”) OF SERIES 2003-C-9 THROUGH C-10 SEWER CLAIMS, WHICH ARE CLAIMS IN CLASS 1-A FOR PURPOSES OF VOTING ON THE *CHAPTER 9 PLAN OF ADJUSTMENT FOR JEFFERSON COUNTY, ALABAMA (DATED JULY 29, 2013)* (AS AMENDED, SUPPLEMENTED OR MODIFIED FROM TIME TO TIME IN ACCORDANCE WITH THE TERMS OF THE PLAN AND BANKRUPTCY CODE SECTION 942, THE “PLAN”), THAT (A) HAVE BEEN DEEMED TO MAKE THE COMMUTATION ELECTION PROVIDED UNDER THE PLAN BECAUSE THEY (1) DID NOT RETURN A BALLOT BY THE BALLOT DEADLINE, (2) DID NOT INDICATE AN ELECTION ON ANY BALLOT THAT WAS RETURNED BY THE BALLOT DEADLINE, OR (3) RETURNED A BALLOT BY THE BALLOT DEADLINE AND INDICATED BOTH AN ELECTION TO MAKE AND AN ELECTION NOT TO MAKE THE COMMUTATION ELECTION; AND (B) ARE ELECTING TO RESCIND SUCH DEEMED COMMUTATION ELECTION.

PLEASE COMPLETE, SIGN, AND DATE THIS RESCISSION OF DEEMED ELECTION MASTER FORM AND RETURN IT TO KURTZMAN CARSON CONSULTANTS LLC (THE “BALLOT TABULATOR”) BY NOVEMBER 5, 2013 AT 5:00 P.M. (PREVAILING CENTRAL TIME) (THE “RESCISSION DEADLINE”) AT THE FOLLOWING ADDRESS:

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

PLEASE ALSO RETURN COPIES OF ALL RESCISSION OF DEEMED ELECTION FORMS RECEIVED BY YOU FROM BENEFICIAL OWNERS (EACH, A “RESCISSION OF DEEMED ELECTION BENEFICIAL FORM”) TO EACH OF (I) THE BALLOT TABULATOR, (II) JEFFERSON COUNTY (THE “COUNTY”), AND (III) ASSURED GUARANTY MUNICIPAL CORP. (“ASSURED”) BY THE RESCISSION DEADLINE AT THE FOLLOWING ADDRESSES:

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

Counsel to Jefferson County
Bradley Arant Boult Cummings LLP
Attn: J. Patrick Darby, Esq.
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203

-and-

Klee, Tuchin, Bogdanoff & Stern LLP
 Attn: Kenneth N. Klee, Esq.
 1999 Avenue of the Stars, 39th Floor
 Los Angeles, CA 90067

Counsel to Assured Guaranty Municipal Corp.
 Chadbourne & Parke LLP
 Attn: Samuel S. Kohn, Esq.
 30 Rockefeller Center
 New York, NY 10122

IF THIS RESCISSION OF DEEMED ELECTION MASTER FORM OR ANY OF THE COPIES OF RESCISSION OF DEEMED ELECTION BENEFICIAL FORMS ARE NOT ACTUALLY RECEIVED BY THE APPLICABLE PARTIES LISTED ABOVE BY THE RESCISSION DEADLINE, THE RESCISSION OF DEEMED ELECTION OF YOUR CUSTOMERS WILL NOT BE COUNTED AND SUCH BENEFICIAL OWNERS WILL BE CONCLUSIVELY DEEMED TO MAKE THE COMMUTATION ELECTION.

PLEASE COMPLETE THE FOLLOWING TWO ITEMS:

ITEM 1. Rescission of Deemed Election. The undersigned transmits the following rescission of Beneficial Owners of Series 2003-C-9 Through C-10 Sewer Claims made in Item 2 of each Rescission of Deemed Election Beneficial Form and certifies that the following are Beneficial Owners, as of August 6, 2013 (the “Ballot Record Date”), and have delivered to the undersigned, as Institutional Nominee, Rescission of Deemed Election Beneficial Forms making such rescission:

| Your Account Number for Each Beneficial Owner Making the Rescission of Deemed Election* | Principal Amount of Claims | VOI Number from DTC** |
|---|----------------------------|-----------------------|
| 1. | \$ | |
| 2. | \$ | |
| 3. | \$ | |
| 4. | \$ | |
| 5. | \$ | |
| 6. | \$ | |
| 7. | \$ | |
| 8. | \$ | |
| 9. | \$ | |
| 10. | \$ | |
| TOTALS | \$ | |

* If space provided is insufficient, attach additional sheets in same format.

** The underlying Series 2003-C-9 Through C-10 Sewer Claims held by those Beneficial Owners making the Rescission of Deemed Election are to be tendered into the election account established at The Depository Trust Company ("DTC") for that purpose. Input the corresponding VOI number received from DTC in the appropriate column in the table above if the Beneficial Owner made such Rescission of Deemed Election in Item 2 of its Rescission of Deemed Election Beneficial Form. Series 2003-C-9 Through C-10 Sewer Claims may not be withdrawn from the DTC election account once tendered. No further trading will be permitted in the Series 2003-C-9 Through C-10 Sewer Claims held in the election account at DTC. If the Plan is not confirmed, DTC will, in accordance with its customary practices and procedures, return all Series 2003-C-9 Through C-10 Sewer Claims held in the election account to the applicable Institutional Nominee for credit to the account of the applicable Beneficial Owner.

ITEM 2. Certification. By signing this Rescission of Deemed Election Master Form, the undersigned certifies that:

- (i) each Beneficial Owner whose rescission is being transmitted by this Rescission of Deemed Election Master Form has been provided with a copy of the Rescission of Deemed Election Notice and a Rescission of Deemed Election Beneficial Form;
- (ii) it has received a completed and signed Rescission of Deemed Election Beneficial Form from each Beneficial Owner listed in Item 1 of this Rescission of Deemed Election Master Form;
- (iii) it is the registered holder of the Series 2003-C-9 Through C-10 Sewer Claims to which this Rescission of Deemed Election Master Form pertains;
- (iv) it has properly disclosed:
 - a. the number of Beneficial Owners who completed Rescission of Deemed Election Beneficial Forms;
 - b. the respective amounts of the Series 2003-C-9 Through C-10 Sewer Claims held by each Beneficial Owner who completed a Rescission of Deemed Election Beneficial Form; and
 - c. the customer account or other identification number for each such Beneficial Owner.

Name of Institutional Nominee

Participant Number

Signature

If by Authorized Agent, Name, and Title

Street Address

City, State, and Zip Code

Telephone Number

Email Address

Date Completed

IF YOU HAVE ANY QUESTIONS REGARDING THE RESCISSION OF DEEMED ELECTION MASTER FORM OR THE INSTRUCTIONS ABOVE, PLEASE CONTACT THE BALLOT TABULATOR BY TELEPHONE AT 877-833-4150 OR BY EMAIL AT JEFFERSONCOUNTYINFO@KCCLLC.COM. PLEASE DO NOT DIRECT ANY INQUIRIES TO THE BANKRUPTCY COURT.

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

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

AFFIDAVIT OF SERVICE

I, David Hartie, a non-attorney, depose and say under the penalty of perjury:

1. I am employed by Kurtzman Carson Consultants LLC (“KCC”), the balloting agent (the “Balloting Agent”) for Jefferson County, Alabama (the “County”), the debtor in the above-referenced case. My business address is 599 Lexington Avenue, 39th Floor, New York, NY 10022. I am over the age of 18 and not a party to this action. Except as otherwise noted, I could and would testify to the following based upon my personal knowledge. I submit this Affidavit in connection with the service of solicitation packages for the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1911**] (the “Plan”).¹
2. On August 7, 2013, the Court entered its *Order Approving: (A) the "Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)"; and (B) Related Disclosure Statement Procedures, Deadlines, and Notices* [**Docket No. 1974**] (the “Disclosure Statement Order”) and *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* [**Docket No. 1975**] (the “Solicitation Procedures Order”).
3. As the County's Balloting Agent, KCC is charged with the duty of preparing and distributing solicitation packages to creditors and other interested parties pursuant to the instructions set forth in the Disclosure Statement Order and the Solicitation Procedures Order.
4. On September 18, 2013, KCC filed the *Affidavit of Service of David Hartie re: Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 2055**] (the “Hartie Affidavit”).
5. The Hartie Affidavit includes Exhibits B, K and O, which list entities to which KCC had provided bulk quantities of solicitation packages for subsequent forwarding to holders of Sewer Warrant Claims, Series 2004-A School Claims and Series 2005-A School Claims (the “Securities Claims”). Broadridge Financial Solutions, Inc. (“Broadridge”), an entity included on these Hartie Affidavit Exhibits, acts as

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan.

C.393




110573613102900000000001

agent on behalf of institutional nominees by processing mailings on their behalf to their clients, the underlying holders of Securities Claims. Attached hereto as Exhibit A is an affidavit of mailing prepared by Broadridge, as agent for institutional nominees of the holders of Securities claims.

6. Further, attached hereto as Exhibit B is a schedule received from Broadridge that reflects the institutional nominees covered in Broadridge's mailings. The schedule lists the Broadridge Job number, associated CUSIP number, relevant Series and institutional nominee by Broadridge Reorg Client Number (the "Client Number"). Attached hereto is Exhibit C is a list of institutional nominees that use the services of Broadridge and associates the Client Number to the name of institutional nominee.
7. The Hartie Affidavit also includes Exhibit W, which lists entities to which KCC had provided bulk quantities of the Notice of Non-Voting Status and Confirmation Hearing Notice (together, the "Notices") for subsequent forwarding to holders of Class 3-A Board of Education Lease Claims, Class 5-B Series 2003-A GO Claims and Class 5-C Series 2004-A GO Claims (the "Non-Voting Claims"). As an agent of the institutional nominees, Broadridge appears on this Exhibit and was provided with bulk quantities of Notices for forwarding to the underlying holders of Non-Voting Claims. Attached hereto as Exhibit D is an affidavit of mailing prepared by Broadridge, as agent for institutional nominees of the holders of the Non-Voting Claims.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief. If called to testify at trial on this matter, I would testify under oath to the facts stated in this Affidavit.

Dated: October 29, 2013



David Hartie

Kurtzman Carson Consultants LLC
599 Lexington Avenue, 39th Floor
New York, NY 10022
Phone: (917) 281-4800

State of New York
County of New York

Subscribed and sworn to (or affirmed) before me on October 29, 2013 by David Hartie, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: _____

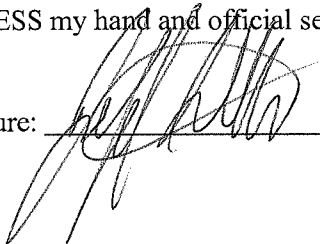


Exhibit A

September 24, 2013

Mr. David Hartie
Kurtzman Carson Consultants
599 Lexington Avenue
39th Floor
New York, NY 10022

Dear Mr. David Hartie:

This affidavit of mailing certifies that the package described below was mailed from Farmingdale, New York Post Office 11735.

Company Name: Jefferson County
Type of Mailing: Bankruptcy / Election – 34 Jobs; Bankruptcy / Vote – 17 Jobs
Mailing Date: Various – Refer to Exhibit A
Class of Mail: First Class
Total Pieces: 5048 (approximate) – Refer to Exhibit A for Details

Sincerely,



Andrew Marino
Senior Client Service Representative

Sworn to before me this 24th
Day of September, 2013


Notary Public

JILL KAPLAN
Notary Public, State of New York
No. 01KA6242333
Qualified in Suffolk County
Commission Expires 05/31/2015



EXHIBIT A - JOB DETAILS FOR JEFFERSON COUNTY MAILINGS (51 JOBS)

| Job Name | Cusip | Job Number | Offer Type | Pieces Mailed | Completed Mail Date |
|------------------|-----------|------------|-----------------------|---------------|---------------------|
| JEFFERSON COUNTY | 472682JF1 | E77246 | Bankruptcy / Election | 51 | 8/26/2013 |
| JEFFERSON COUNTY | 472682JG9 | E77247 | Bankruptcy / Election | 45 | 8/27/2013 |
| JEFFERSON COUNTY | 472682JH7 | E77248 | Bankruptcy / Election | 82 | 8/26/2013 |
| JEFFERSON COUNTY | 472682JJ3 | E77249 | Bankruptcy / Election | 20 | 8/26/2013 |
| JEFFERSON COUNTY | 472682JL8 | E77250 | Bankruptcy / Election | 46 | 8/26/2013 |
| JEFFERSON COUNTY | 472682JM6 | E77251 | Bankruptcy / Election | 106 | 8/26/2013 |
| JEFFERSON COUNTY | 472682JN4 | E77252 | Bankruptcy / Election | 92 | 8/26/2013 |
| JEFFERSON COUNTY | 472682KA0 | E77253 | Bankruptcy / Election | 35 | 8/26/2013 |
| JEFFERSON COUNTY | 472682KB8 | E77254 | Bankruptcy / Election | 26 | 8/26/2013 |
| JEFFERSON COUNTY | 472682KC6 | E77255 | Bankruptcy / Election | 44 | 8/26/2013 |
| JEFFERSON COUNTY | 472682KD4 | E77256 | Bankruptcy / Election | 23 | 8/26/2013 |
| JEFFERSON COUNTY | 472682KH5 | E77257 | Bankruptcy / Election | 34 | 8/26/2013 |
| JEFFERSON COUNTY | 472682LH4 | E77258 | Bankruptcy / Election | 62 | 8/26/2013 |
| JEFFERSON COUNTY | 472682LJ0 | E77259 | Bankruptcy / Election | 47 | 8/26/2013 |
| JEFFERSON COUNTY | 472682LK7 | E77260 | Bankruptcy / Election | 70 | 8/26/2013 |
| JEFFERSON COUNTY | 472682LL5 | E77261 | Bankruptcy / Election | 29 | 8/26/2013 |
| JEFFERSON COUNTY | 472682LM3 | E77262 | Bankruptcy / Election | 63 | 8/26/2013 |
| JEFFERSON COUNTY | 472682MC4 | E77263 | Bankruptcy / Election | 447 | 8/27/2013 |
| JEFFERSON COUNTY | 472682MD2 | E77264 | Bankruptcy / Election | 861 | 8/27/2013 |
| JEFFERSON COUNTY | 472682MQ3 | E77265 | Bankruptcy / Election | 383 | 8/27/2013 |
| JEFFERSON COUNTY | 472682MR1 | E77266 | Bankruptcy / Election | 192 | 8/26/2013 |
| JEFFERSON COUNTY | 472682MS9 | E77267 | Bankruptcy / Election | 354 | 8/27/2013 |
| JEFFERSON COUNTY | 472682NA7 | E77268 | Bankruptcy / Election | 39 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NB5 | E77269 | Bankruptcy / Election | 39 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NC3 | E77270 | Bankruptcy / Election | 41 | 8/26/2013 |
| JEFFERSON COUNTY | 472682ND1 | E77271 | Bankruptcy / Election | 65 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NE9 | E77272 | Bankruptcy / Election | 46 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NF6 | E77273 | Bankruptcy / Election | 27 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NG4 | E77274 | Bankruptcy / Election | 36 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NH2 | E77275 | Bankruptcy / Election | 21 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NJ8 | E77276 | Bankruptcy / Election | 40 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NK5 | E77277 | Bankruptcy / Election | 47 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NW9 | E77279 | Bankruptcy / Election | 168 | 8/26/2013 |
| JEFFERSON COUNTY | 472682NX7 | E77280 | Bankruptcy / Election | 6 | 8/26/2013 |
| JEFFERSON COUNTY | 472628NS1 | E77663 | Bankruptcy / Vote | 3 | 9/3/2013 |
| JEFFERSON COUNTY | 472628QE9 | E77664 | Bankruptcy / Vote | 3 | 9/3/2013 |
| JEFFERSON CNTY | 472653AH7 | E77665 | Bankruptcy / Vote | 75 | 9/3/2013 |
| JEFFERSON CNTY | 472653AJ3 | E77666 | Bankruptcy / Vote | 167 | 9/3/2013 |
| JEFFERSON CNTY | 472653AK0 | E77667 | Bankruptcy / Vote | 90 | 9/3/2013 |
| JEFFERSON CNTY | 472653AL8 | E77668 | Bankruptcy / Vote | 41 | 9/3/2013 |
| JEFFERSON CNTY | 472653AN4 | E77670 | Bankruptcy / Vote | 6 | 9/3/2013 |
| JEFFERSON CNTY | 472653AP9 | E77671 | Bankruptcy / Vote | 49 | 9/3/2013 |
| JEFFERSON CNTY | 472653AQ7 | E77672 | Bankruptcy / Vote | 4 | 9/3/2013 |
| JEFFERSON CNTY | 472653AR5 | E77673 | Bankruptcy / Vote | 29 | 9/3/2013 |
| JEFFERSON CNTY | 472653AS3 | E77674 | Bankruptcy / Vote | 63 | 9/3/2013 |
| JEFFERSON CNTY | 472653AT1 | E77675 | Bankruptcy / Vote | 352 | 9/4/2013 |
| JEFFERSON CNTY | 472653AU8 | E77676 | Bankruptcy / Vote | 352 | 9/3/2013 |
| JEFFERSON CNTY | 472653BA1 | E77677 | Bankruptcy / Vote | 31 | 9/3/2013 |
| JEFFERSON CNTY | 472653BB9 | E77678 | Bankruptcy / Vote | 44 | 9/3/2013 |
| JEFFERSON CNTY | 472653BC7 | E77679 | Bankruptcy / Vote | 23 | 9/3/2013 |
| JEFFERSON CNTY | 472653BD5 | E77680 | Bankruptcy / Vote | 29 | 9/3/2013 |

Exhibit B

JEFFERSON COUNTY - CLIENTS MAILED

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|--------|----------------|
| E77246 | 472682JF1 | 2001-A | 164 |
| E77246 | 472682JF1 | 2001-A | 216 |
| E77246 | 472682JF1 | 2001-A | 23N |
| E77246 | 472682JF1 | 2001-A | 235 |
| E77246 | 472682JF1 | 2001-A | 279 |
| E77246 | 472682JF1 | 2001-A | 309 |
| E77246 | 472682JF1 | 2001-A | 443 |
| E77246 | 472682JF1 | 2001-A | 54R |
| E77246 | 472682JF1 | 2001-A | 725 |
| E77246 | 472682JF1 | 2001-A | 750 |
| E77246 | 472682JF1 | 2001-A | 808 |
| | | | |
| E77247 | 472682JG9 | 2001-A | 141 |
| E77247 | 472682JG9 | 2001-A | 164 |
| E77247 | 472682JG9 | 2001-A | 23N |
| E77247 | 472682JG9 | 2001-A | 279 |
| E77247 | 472682JG9 | 2001-A | 309 |
| E77247 | 472682JG9 | 2001-A | 443 |
| E77247 | 472682JG9 | 2001-A | 54R |
| E77247 | 472682JG9 | 2001-A | 750 |
| E77247 | 472682JG9 | 2001-A | 808 |
| E77247 | 472682JG9 | 2001-A | 897 |
| | | | |
| E77248 | 472682JH7 | 2001-A | 015 |
| E77248 | 472682JH7 | 2001-A | 141 |
| E77248 | 472682JH7 | 2001-A | 161 |
| E77248 | 472682JH7 | 2001-A | 164 |
| E77248 | 472682JH7 | 2001-A | 188 |
| E77248 | 472682JH7 | 2001-A | 23N |
| E77248 | 472682JH7 | 2001-A | 279 |
| E77248 | 472682JH7 | 2001-A | 309 |
| E77248 | 472682JH7 | 2001-A | 443 |
| E77248 | 472682JH7 | 2001-A | 54R |
| E77248 | 472682JH7 | 2001-A | 725 |
| E77248 | 472682JH7 | 2001-A | 750 |
| E77248 | 472682JH7 | 2001-A | 808 |
| E77248 | 472682JH7 | 2001-A | 96L |
| | | | |
| E77249 | 472682JJ3 | 2001-A | 161 |
| E77249 | 472682JJ3 | 2001-A | 188 |
| E77249 | 472682JJ3 | 2001-A | 309 |
| E77249 | 472682JJ3 | 2001-A | 443 |
| E77249 | 472682JJ3 | 2001-A | 725 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|--------|----------------|
| E77249 | 472682JJ3 | 2001-A | 750 |
| | | | |
| E77250 | 472682JL8 | 2001-A | 057 |
| E77250 | 472682JL8 | 2001-A | 141 |
| E77250 | 472682JL8 | 2001-A | 161 |
| E77250 | 472682JL8 | 2001-A | 188 |
| E77250 | 472682JL8 | 2001-A | 309 |
| E77250 | 472682JL8 | 2001-A | 443 |
| E77250 | 472682JL8 | 2001-A | 701 |
| E77250 | 472682JL8 | 2001-A | 702 |
| E77250 | 472682JL8 | 2001-A | 725 |
| E77250 | 472682JL8 | 2001-A | 808 |
| | | | |
| E77251 | 472682JM6 | 2001-A | 141 |
| E77251 | 472682JM6 | 2001-A | 161 |
| E77251 | 472682JM6 | 2001-A | 164 |
| E77251 | 472682JM6 | 2001-A | 23N |
| E77251 | 472682JM6 | 2001-A | 235 |
| E77251 | 472682JM6 | 2001-A | 279 |
| E77251 | 472682JM6 | 2001-A | 309 |
| E77251 | 472682JM6 | 2001-A | 352 |
| E77251 | 472682JM6 | 2001-A | 443 |
| E77251 | 472682JM6 | 2001-A | 54R |
| E77251 | 472682JM6 | 2001-A | 571 |
| E77251 | 472682JM6 | 2001-A | 702 |
| E77251 | 472682JM6 | 2001-A | 725 |
| E77251 | 472682JM6 | 2001-A | 750 |
| E77251 | 472682JM6 | 2001-A | 808 |
| E77251 | 472682JM6 | 2001-A | 897 |
| | | | |
| E77252 | 472682JN4 | 2001-A | 015 |
| E77252 | 472682JN4 | 2001-A | 103 |
| E77252 | 472682JN4 | 2001-A | 141 |
| E77252 | 472682JN4 | 2001-A | 158 |
| E77252 | 472682JN4 | 2001-A | 161 |
| E77252 | 472682JN4 | 2001-A | 164 |
| E77252 | 472682JN4 | 2001-A | 216 |
| E77252 | 472682JN4 | 2001-A | 279 |
| E77252 | 472682JN4 | 2001-A | 309 |
| E77252 | 472682JN4 | 2001-A | 352 |
| E77252 | 472682JN4 | 2001-A | 367 |
| E77252 | 472682JN4 | 2001-A | 443 |
| E77252 | 472682JN4 | 2001-A | 54R |
| E77252 | 472682JN4 | 2001-A | 702 |
| E77252 | 472682JN4 | 2001-A | 725 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|----------|----------------|
| E77252 | 472682JN4 | 2001-A | 750 |
| E77252 | 472682JN4 | 2001-A | 808 |
| E77252 | 472682JN4 | 2001-A | 897 |
| E77252 | 472682JN4 | 2001-A | 96L |
| | | | |
| E77253 | 472682KA0 | 2002-C-1 | A21 |
| E77253 | 472682KA0 | 2002-C-1 | 005 |
| E77253 | 472682KA0 | 2002-C-1 | 015 |
| E77253 | 472682KA0 | 2002-C-1 | 161 |
| E77253 | 472682KA0 | 2002-C-1 | 188 |
| E77253 | 472682KA0 | 2002-C-1 | 23N |
| E77253 | 472682KA0 | 2002-C-1 | 352 |
| E77253 | 472682KA0 | 2002-C-1 | 419 |
| E77253 | 472682KA0 | 2002-C-1 | 443 |
| E77253 | 472682KA0 | 2002-C-1 | 78U |
| | | | |
| E77254 | 472682KB8 | 2002-C-1 | A21 |
| E77254 | 472682KB8 | 2002-C-1 | 005 |
| E77254 | 472682KB8 | 2002-C-1 | 015 |
| E77254 | 472682KB8 | 2002-C-1 | 164 |
| E77254 | 472682KB8 | 2002-C-1 | 188 |
| E77254 | 472682KB8 | 2002-C-1 | 750 |
| E77254 | 472682KB8 | 2002-C-1 | 78U |
| E77254 | 472682KB8 | 2002-C-1 | 82D |
| | | | |
| E77255 | 472682KC6 | 2002-C-1 | A21 |
| E77255 | 472682KC6 | 2002-C-1 | 002 |
| E77255 | 472682KC6 | 2002-C-1 | 005 |
| E77255 | 472682KC6 | 2002-C-1 | 015 |
| E77255 | 472682KC6 | 2002-C-1 | 057 |
| E77255 | 472682KC6 | 2002-C-1 | 141 |
| E77255 | 472682KC6 | 2002-C-1 | 23N |
| E77255 | 472682KC6 | 2002-C-1 | 352 |
| E77255 | 472682KC6 | 2002-C-1 | 443 |
| E77255 | 472682KC6 | 2002-C-1 | 571 |
| E77255 | 472682KC6 | 2002-C-1 | 70M |
| E77255 | 472682KC6 | 2002-C-1 | 725 |
| | | | |
| E77256 | 472682KD4 | 2002-C-1 | A21 |
| E77256 | 472682KD4 | 2002-C-1 | 005 |
| E77256 | 472682KD4 | 2002-C-1 | 015 |
| E77256 | 472682KD4 | 2002-C-1 | 235 |
| E77256 | 472682KD4 | 2002-C-1 | 642 |
| E77256 | 472682KD4 | 2002-C-1 | 78U |
| E77256 | 472682KD4 | 2002-C-1 | 808 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|----------|----------------|
| E77257 | 472682KH5 | 2002-C-5 | A21 |
| E77257 | 472682KH5 | 2002-C-5 | 005 |
| E77257 | 472682KH5 | 2002-C-5 | 141 |
| E77257 | 472682KH5 | 2002-C-5 | 161 |
| E77257 | 472682KH5 | 2002-C-5 | 164 |
| E77257 | 472682KH5 | 2002-C-5 | 352 |
| E77257 | 472682KH5 | 2002-C-5 | 355 |
| E77257 | 472682KH5 | 2002-C-5 | 367 |
| E77257 | 472682KH5 | 2002-C-5 | 725 |
| E77258 | 472682LH4 | 2003-B-1 | A21 |
| E77258 | 472682LH4 | 2003-B-1 | 005 |
| E77258 | 472682LH4 | 2003-B-1 | 057 |
| E77258 | 472682LH4 | 2003-B-1 | 161 |
| E77258 | 472682LH4 | 2003-B-1 | 164 |
| E77258 | 472682LH4 | 2003-B-1 | 188 |
| E77258 | 472682LH4 | 2003-B-1 | 235 |
| E77258 | 472682LH4 | 2003-B-1 | 443 |
| E77258 | 472682LH4 | 2003-B-1 | 571 |
| E77258 | 472682LH4 | 2003-B-1 | 725 |
| E77258 | 472682LH4 | 2003-B-1 | 808 |
| E77258 | 472682LH4 | 2003-B-1 | 82D |
| E77259 | 472682LJ0 | 2003-B-1 | 002 |
| E77259 | 472682LJ0 | 2003-B-1 | 005 |
| E77259 | 472682LJ0 | 2003-B-1 | 164 |
| E77259 | 472682LJ0 | 2003-B-1 | 188 |
| E77259 | 472682LJ0 | 2003-B-1 | 352 |
| E77259 | 472682LJ0 | 2003-B-1 | 355 |
| E77259 | 472682LJ0 | 2003-B-1 | 443 |
| E77259 | 472682LJ0 | 2003-B-1 | 571 |
| E77259 | 472682LJ0 | 2003-B-1 | 642 |
| E77259 | 472682LJ0 | 2003-B-1 | 725 |
| E77259 | 472682LJ0 | 2003-B-1 | 78U |
| E77259 | 472682LJ0 | 2003-B-1 | 808 |
| E77259 | 472682LJ0 | 2003-B-1 | 82D |
| E77260 | 472682LK7 | 2003-B-1 | A21 |
| E77260 | 472682LK7 | 2003-B-1 | 005 |
| E77260 | 472682LK7 | 2003-B-1 | 141 |
| E77260 | 472682LK7 | 2003-B-1 | 164 |
| E77260 | 472682LK7 | 2003-B-1 | 188 |
| E77260 | 472682LK7 | 2003-B-1 | 235 |
| E77260 | 472682LK7 | 2003-B-1 | 355 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|----------|----------------|
| E77260 | 472682LK7 | 2003-B-1 | 443 |
| E77260 | 472682LK7 | 2003-B-1 | 571 |
| E77260 | 472682LK7 | 2003-B-1 | 725 |
| E77260 | 472682LK7 | 2003-B-1 | 808 |
| E77260 | 472682LK7 | 2003-B-1 | 82D |
| | | | |
| E77261 | 472682LL5 | 2003-B-1 | A21 |
| E77261 | 472682LL5 | 2003-B-1 | 005 |
| E77261 | 472682LL5 | 2003-B-1 | 164 |
| E77261 | 472682LL5 | 2003-B-1 | 571 |
| E77261 | 472682LL5 | 2003-B-1 | 642 |
| E77261 | 472682LL5 | 2003-B-1 | 82D |
| | | | |
| E77262 | 472682LM3 | 2003-B-1 | A21 |
| E77262 | 472682LM3 | 2003-B-1 | 005 |
| E77262 | 472682LM3 | 2003-B-1 | 164 |
| E77262 | 472682LM3 | 2003-B-1 | 188 |
| E77262 | 472682LM3 | 2003-B-1 | 23N |
| E77262 | 472682LM3 | 2003-B-1 | 309 |
| E77262 | 472682LM3 | 2003-B-1 | 547 |
| E77262 | 472682LM3 | 2003-B-1 | 571 |
| E77262 | 472682LM3 | 2003-B-1 | 725 |
| E77262 | 472682LM3 | 2003-B-1 | 750 |
| E77262 | 472682LM3 | 2003-B-1 | 78U |
| E77262 | 472682LM3 | 2003-B-1 | 808 |
| E77262 | 472682LM3 | 2003-B-1 | 82D |
| | | | |
| E77263 | 472682MC4 | 1997-A | 005 |
| E77263 | 472682MC4 | 1997-A | 015 |
| E77263 | 472682MC4 | 1997-A | 057 |
| E77263 | 472682MC4 | 1997-A | 103 |
| E77263 | 472682MC4 | 1997-A | 141 |
| E77263 | 472682MC4 | 1997-A | 158 |
| E77263 | 472682MC4 | 1997-A | 161 |
| E77263 | 472682MC4 | 1997-A | 164 |
| E77263 | 472682MC4 | 1997-A | 188 |
| E77263 | 472682MC4 | 1997-A | 216 |
| E77263 | 472682MC4 | 1997-A | 23N |
| E77263 | 472682MC4 | 1997-A | 235 |
| E77263 | 472682MC4 | 1997-A | 279 |
| E77263 | 472682MC4 | 1997-A | 309 |
| E77263 | 472682MC4 | 1997-A | 367 |
| E77263 | 472682MC4 | 1997-A | 374 |
| E77263 | 472682MC4 | 1997-A | 443 |
| E77263 | 472682MC4 | 1997-A | 54R |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|----------|----------------|
| E77263 | 472682MC4 | 1997-A | 547 |
| E77263 | 472682MC4 | 1997-A | 701 |
| E77263 | 472682MC4 | 1997-A | 702 |
| E77263 | 472682MC4 | 1997-A | 725 |
| E77263 | 472682MC4 | 1997-A | 750 |
| E77263 | 472682MC4 | 1997-A | 78U |
| E77263 | 472682MC4 | 1997-A | 808 |
| E77263 | 472682MC4 | 1997-A | 82D |
| E77263 | 472682MC4 | 1997-A | 96L |
| | | | |
| E77264 | 472682MD2 | 1997-A | 005 |
| E77264 | 472682MD2 | 1997-A | 015 |
| E77264 | 472682MD2 | 1997-A | 057 |
| E77264 | 472682MD2 | 1997-A | 103 |
| E77264 | 472682MD2 | 1997-A | 141 |
| E77264 | 472682MD2 | 1997-A | 161 |
| E77264 | 472682MD2 | 1997-A | 164 |
| E77264 | 472682MD2 | 1997-A | 188 |
| E77264 | 472682MD2 | 1997-A | 216 |
| E77264 | 472682MD2 | 1997-A | 23N |
| E77264 | 472682MD2 | 1997-A | 235 |
| E77264 | 472682MD2 | 1997-A | 279 |
| E77264 | 472682MD2 | 1997-A | 309 |
| E77264 | 472682MD2 | 1997-A | 352 |
| E77264 | 472682MD2 | 1997-A | 419 |
| E77264 | 472682MD2 | 1997-A | 443 |
| E77264 | 472682MD2 | 1997-A | 54R |
| E77264 | 472682MD2 | 1997-A | 547 |
| E77264 | 472682MD2 | 1997-A | 571 |
| E77264 | 472682MD2 | 1997-A | 702 |
| E77264 | 472682MD2 | 1997-A | 725 |
| E77264 | 472682MD2 | 1997-A | 750 |
| E77264 | 472682MD2 | 1997-A | 808 |
| E77264 | 472682MD2 | 1997-A | 9CJ |
| E77264 | 472682MD2 | 1997-A | 96L |
| | | | |
| E77265 | 472682MQ3 | 2003-B-8 | 0L3 |
| E77265 | 472682MQ3 | 2003-B-8 | 015 |
| E77265 | 472682MQ3 | 2003-B-8 | 057 |
| E77265 | 472682MQ3 | 2003-B-8 | 141 |
| E77265 | 472682MQ3 | 2003-B-8 | 158 |
| E77265 | 472682MQ3 | 2003-B-8 | 161 |
| E77265 | 472682MQ3 | 2003-B-8 | 164 |
| E77265 | 472682MQ3 | 2003-B-8 | 188 |
| E77265 | 472682MQ3 | 2003-B-8 | 216 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|----------|----------------|
| E77265 | 472682MQ3 | 2003-B-8 | 23N |
| E77265 | 472682MQ3 | 2003-B-8 | 235 |
| E77265 | 472682MQ3 | 2003-B-8 | 279 |
| E77265 | 472682MQ3 | 2003-B-8 | 309 |
| E77265 | 472682MQ3 | 2003-B-8 | 352 |
| E77265 | 472682MQ3 | 2003-B-8 | 374 |
| E77265 | 472682MQ3 | 2003-B-8 | 443 |
| E77265 | 472682MQ3 | 2003-B-8 | 54R |
| E77265 | 472682MQ3 | 2003-B-8 | 571 |
| E77265 | 472682MQ3 | 2003-B-8 | 702 |
| E77265 | 472682MQ3 | 2003-B-8 | 725 |
| E77265 | 472682MQ3 | 2003-B-8 | 750 |
| E77265 | 472682MQ3 | 2003-B-8 | 808 |
| E77265 | 472682MQ3 | 2003-B-8 | 82D |
| E77265 | 472682MQ3 | 2003-B-8 | 897 |
| E77265 | 472682MQ3 | 2003-B-8 | 9CJ |
| E77265 | 472682MQ3 | 2003-B-8 | 96L |
| | | | |
| E77266 | 472682MR1 | 2003-B-8 | 0L3 |
| E77266 | 472682MR1 | 2003-B-8 | 015 |
| E77266 | 472682MR1 | 2003-B-8 | 057 |
| E77266 | 472682MR1 | 2003-B-8 | 141 |
| E77266 | 472682MR1 | 2003-B-8 | 161 |
| E77266 | 472682MR1 | 2003-B-8 | 164 |
| E77266 | 472682MR1 | 2003-B-8 | 188 |
| E77266 | 472682MR1 | 2003-B-8 | 23N |
| E77266 | 472682MR1 | 2003-B-8 | 235 |
| E77266 | 472682MR1 | 2003-B-8 | 309 |
| E77266 | 472682MR1 | 2003-B-8 | 443 |
| E77266 | 472682MR1 | 2003-B-8 | 54R |
| E77266 | 472682MR1 | 2003-B-8 | 702 |
| E77266 | 472682MR1 | 2003-B-8 | 725 |
| E77266 | 472682MR1 | 2003-B-8 | 808 |
| E77266 | 472682MR1 | 2003-B-8 | 82D |
| E77266 | 472682MR1 | 2003-B-8 | 82V |
| E77266 | 472682MR1 | 2003-B-8 | 897 |
| E77266 | 472682MR1 | 2003-B-8 | 9CJ |
| E77266 | 472682MR1 | 2003-B-8 | 96L |
| | | | |
| E77267 | 472682MS9 | 2003-B-8 | 015 |
| E77267 | 472682MS9 | 2003-B-8 | 057 |
| E77267 | 472682MS9 | 2003-B-8 | 141 |
| E77267 | 472682MS9 | 2003-B-8 | 158 |
| E77267 | 472682MS9 | 2003-B-8 | 161 |
| E77267 | 472682MS9 | 2003-B-8 | 164 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|----------|----------------|
| E77267 | 472682MS9 | 2003-B-8 | 188 |
| E77267 | 472682MS9 | 2003-B-8 | 216 |
| E77267 | 472682MS9 | 2003-B-8 | 23N |
| E77267 | 472682MS9 | 2003-B-8 | 235 |
| E77267 | 472682MS9 | 2003-B-8 | 279 |
| E77267 | 472682MS9 | 2003-B-8 | 309 |
| E77267 | 472682MS9 | 2003-B-8 | 352 |
| E77267 | 472682MS9 | 2003-B-8 | 374 |
| E77267 | 472682MS9 | 2003-B-8 | 443 |
| E77267 | 472682MS9 | 2003-B-8 | 54R |
| E77267 | 472682MS9 | 2003-B-8 | 547 |
| E77267 | 472682MS9 | 2003-B-8 | 702 |
| E77267 | 472682MS9 | 2003-B-8 | 725 |
| E77267 | 472682MS9 | 2003-B-8 | 750 |
| E77267 | 472682MS9 | 2003-B-8 | 808 |
| E77267 | 472682MS9 | 2003-B-8 | 897 |
| E77267 | 472682MS9 | 2003-B-8 | 9CJ |
| E77267 | 472682MS9 | 2003-B-8 | 96L |
| | | | |
| E77268 | 472682NA7 | 2003-C-1 | A21 |
| E77268 | 472682NA7 | 2003-C-1 | 005 |
| E77268 | 472682NA7 | 2003-C-1 | 164 |
| E77268 | 472682NA7 | 2003-C-1 | 443 |
| E77268 | 472682NA7 | 2003-C-1 | 571 |
| E77268 | 472682NA7 | 2003-C-1 | 725 |
| E77268 | 472682NA7 | 2003-C-1 | 78U |
| E77268 | 472682NA7 | 2003-C-1 | 808 |
| E77268 | 472682NA7 | 2003-C-1 | 82D |
| | | | |
| E77269 | 472682NB5 | 2003-C-2 | A21 |
| E77269 | 472682NB5 | 2003-C-2 | 005 |
| E77269 | 472682NB5 | 2003-C-2 | 141 |
| E77269 | 472682NB5 | 2003-C-2 | 161 |
| E77269 | 472682NB5 | 2003-C-2 | 164 |
| E77269 | 472682NB5 | 2003-C-2 | 352 |
| E77269 | 472682NB5 | 2003-C-2 | 547 |
| E77269 | 472682NB5 | 2003-C-2 | 78U |
| E77269 | 472682NB5 | 2003-C-2 | 808 |
| | | | |
| E77270 | 472682NC3 | 2003-C-3 | 005 |
| E77270 | 472682NC3 | 2003-C-3 | 015 |
| E77270 | 472682NC3 | 2003-C-3 | 164 |
| E77270 | 472682NC3 | 2003-C-3 | 235 |
| E77270 | 472682NC3 | 2003-C-3 | 279 |
| E77270 | 472682NC3 | 2003-C-3 | 352 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|----------|----------------|
| E77270 | 472682NC3 | 2003-C-3 | 443 |
| E77270 | 472682NC3 | 2003-C-3 | 571 |
| E77270 | 472682NC3 | 2003-C-3 | 642 |
| | | | |
| E77271 | 472682ND1 | 2003-C-4 | A21 |
| E77271 | 472682ND1 | 2003-C-4 | 002 |
| E77271 | 472682ND1 | 2003-C-4 | 005 |
| E77271 | 472682ND1 | 2003-C-4 | 015 |
| E77271 | 472682ND1 | 2003-C-4 | 161 |
| E77271 | 472682ND1 | 2003-C-4 | 164 |
| E77271 | 472682ND1 | 2003-C-4 | 352 |
| E77271 | 472682ND1 | 2003-C-4 | 355 |
| E77271 | 472682ND1 | 2003-C-4 | 443 |
| E77271 | 472682ND1 | 2003-C-4 | 571 |
| E77271 | 472682ND1 | 2003-C-4 | 725 |
| E77271 | 472682ND1 | 2003-C-4 | 750 |
| E77271 | 472682ND1 | 2003-C-4 | 78U |
| E77271 | 472682ND1 | 2003-C-4 | 808 |
| | | | |
| E77272 | 472682NE9 | 2003-C-5 | 0L3 |
| E77272 | 472682NE9 | 2003-C-5 | 005 |
| E77272 | 472682NE9 | 2003-C-5 | 015 |
| E77272 | 472682NE9 | 2003-C-5 | 141 |
| E77272 | 472682NE9 | 2003-C-5 | 164 |
| E77272 | 472682NE9 | 2003-C-5 | 188 |
| E77272 | 472682NE9 | 2003-C-5 | 216 |
| E77272 | 472682NE9 | 2003-C-5 | 235 |
| E77272 | 472682NE9 | 2003-C-5 | 352 |
| E77272 | 472682NE9 | 2003-C-5 | 355 |
| E77272 | 472682NE9 | 2003-C-5 | 443 |
| E77272 | 472682NE9 | 2003-C-5 | 571 |
| E77272 | 472682NE9 | 2003-C-5 | 78U |
| E77272 | 472682NE9 | 2003-C-5 | 808 |
| E77272 | 472682NE9 | 2003-C-5 | 82D |
| | | | |
| E77273 | 472682NF6 | 2003-C-6 | A21 |
| E77273 | 472682NF6 | 2003-C-6 | 005 |
| E77273 | 472682NF6 | 2003-C-6 | 188 |
| E77273 | 472682NF6 | 2003-C-6 | 352 |
| E77273 | 472682NF6 | 2003-C-6 | 725 |
| | | | |
| E77274 | 472682NG4 | 2003-C-7 | A21 |
| E77274 | 472682NG4 | 2003-C-7 | 0L3 |
| E77274 | 472682NG4 | 2003-C-7 | 005 |
| E77274 | 472682NG4 | 2003-C-7 | 725 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|-----------|----------------|
| E77274 | 472682NG4 | 2003-C-7 | 78U |
| E77274 | 472682NG4 | 2003-C-7 | 82D |
| | | | |
| E77275 | 472682NH2 | 2003-C-8 | A21 |
| E77275 | 472682NH2 | 2003-C-8 | 005 |
| E77275 | 472682NH2 | 2003-C-8 | 725 |
| E77275 | 472682NH2 | 2003-C-8 | 78U |
| | | | |
| E77276 | 472682NJ8 | 2003-C-9 | 005 |
| E77276 | 472682NJ8 | 2003-C-9 | 161 |
| E77276 | 472682NJ8 | 2003-C-9 | 164 |
| E77276 | 472682NJ8 | 2003-C-9 | 188 |
| E77276 | 472682NJ8 | 2003-C-9 | 355 |
| E77276 | 472682NJ8 | 2003-C-9 | 443 |
| E77276 | 472682NJ8 | 2003-C-9 | 725 |
| E77276 | 472682NJ8 | 2003-C-9 | 78U |
| E77276 | 472682NJ8 | 2003-C-9 | 808 |
| E77276 | 472682NJ8 | 2003-C-9 | 82D |
| | | | |
| E77277 | 472682NK5 | 2003-C-10 | 005 |
| E77277 | 472682NK5 | 2003-C-10 | 164 |
| E77277 | 472682NK5 | 2003-C-10 | 188 |
| E77277 | 472682NK5 | 2003-C-10 | 309 |
| E77277 | 472682NK5 | 2003-C-10 | 352 |
| E77277 | 472682NK5 | 2003-C-10 | 355 |
| E77277 | 472682NK5 | 2003-C-10 | 443 |
| E77277 | 472682NK5 | 2003-C-10 | 642 |
| E77277 | 472682NK5 | 2003-C-10 | 725 |
| E77277 | 472682NK5 | 2003-C-10 | 78U |
| E77277 | 472682NK5 | 2003-C-10 | 808 |
| | | | |
| E77279 | 472682NW9 | 1997-A | 015 |
| E77279 | 472682NW9 | 1997-A | 057 |
| E77279 | 472682NW9 | 1997-A | 103 |
| E77279 | 472682NW9 | 1997-A | 141 |
| E77279 | 472682NW9 | 1997-A | 161 |
| E77279 | 472682NW9 | 1997-A | 164 |
| E77279 | 472682NW9 | 1997-A | 188 |
| E77279 | 472682NW9 | 1997-A | 216 |
| E77279 | 472682NW9 | 1997-A | 23N |
| E77279 | 472682NW9 | 1997-A | 235 |
| E77279 | 472682NW9 | 1997-A | 279 |
| E77279 | 472682NW9 | 1997-A | 309 |
| E77279 | 472682NW9 | 1997-A | 374 |
| E77279 | 472682NW9 | 1997-A | 443 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|----------|----------------|
| E77279 | 472682NW9 | 1997-A | 54R |
| E77279 | 472682NW9 | 1997-A | 702 |
| E77279 | 472682NW9 | 1997-A | 725 |
| E77279 | 472682NW9 | 1997-A | 750 |
| E77279 | 472682NW9 | 1997-A | 808 |
| E77279 | 472682NW9 | 1997-A | 897 |
| E77279 | 472682NW9 | 1997-A | 96L |
| | | | |
| E77280 | 472682NX7 | 1997-A | 78U |
| E77280 | 472682NX7 | 1997-A | 82D |
| | | | |
| E77663 | 472628NS1 | 2001-B-1 | 82D |
| | | | |
| E77664 | 472628QE9 | 2001-B-1 | 82D |
| | | | |
| E77665 | 472653AH7 | 2004-A | 015 |
| E77665 | 472653AH7 | 2004-A | 141 |
| E77665 | 472653AH7 | 2004-A | 164 |
| E77665 | 472653AH7 | 2004-A | 188 |
| E77665 | 472653AH7 | 2004-A | 221 |
| E77665 | 472653AH7 | 2004-A | 23N |
| E77665 | 472653AH7 | 2004-A | 309 |
| E77665 | 472653AH7 | 2004-A | 352 |
| E77665 | 472653AH7 | 2004-A | 361 |
| E77665 | 472653AH7 | 2004-A | 443 |
| E77665 | 472653AH7 | 2004-A | 54R |
| E77665 | 472653AH7 | 2004-A | 808 |
| E77665 | 472653AH7 | 2004-A | 82D |
| E77665 | 472653AH7 | 2004-A | 9CJ |
| E77665 | 472653AH7 | 2004-A | 96L |
| | | | |
| E77666 | 472653AJ3 | 2004-A | 015 |
| E77666 | 472653AJ3 | 2004-A | 141 |
| E77666 | 472653AJ3 | 2004-A | 161 |
| E77666 | 472653AJ3 | 2004-A | 164 |
| E77666 | 472653AJ3 | 2004-A | 216 |
| E77666 | 472653AJ3 | 2004-A | 221 |
| E77666 | 472653AJ3 | 2004-A | 23N |
| E77666 | 472653AJ3 | 2004-A | 235 |
| E77666 | 472653AJ3 | 2004-A | 279 |
| E77666 | 472653AJ3 | 2004-A | 309 |
| E77666 | 472653AJ3 | 2004-A | 443 |
| E77666 | 472653AJ3 | 2004-A | 54R |
| E77666 | 472653AJ3 | 2004-A | 547 |
| E77666 | 472653AJ3 | 2004-A | 701 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|--------|----------------|
| E77666 | 472653AJ3 | 2004-A | 725 |
| E77666 | 472653AJ3 | 2004-A | 808 |
| E77666 | 472653AJ3 | 2004-A | 897 |
| E77666 | 472653AJ3 | 2004-A | 9CJ |
| E77666 | 472653AJ3 | 2004-A | 96L |
| | | | |
| E77667 | 472653AK0 | 2004-A | 005 |
| E77667 | 472653AK0 | 2004-A | 015 |
| E77667 | 472653AK0 | 2004-A | 057 |
| E77667 | 472653AK0 | 2004-A | 141 |
| E77667 | 472653AK0 | 2004-A | 161 |
| E77667 | 472653AK0 | 2004-A | 164 |
| E77667 | 472653AK0 | 2004-A | 188 |
| E77667 | 472653AK0 | 2004-A | 221 |
| E77667 | 472653AK0 | 2004-A | 279 |
| E77667 | 472653AK0 | 2004-A | 309 |
| E77667 | 472653AK0 | 2004-A | 352 |
| E77667 | 472653AK0 | 2004-A | 443 |
| E77667 | 472653AK0 | 2004-A | 54R |
| E77667 | 472653AK0 | 2004-A | 547 |
| E77667 | 472653AK0 | 2004-A | 571 |
| E77667 | 472653AK0 | 2004-A | 750 |
| E77667 | 472653AK0 | 2004-A | 808 |
| E77667 | 472653AK0 | 2004-A | 82D |
| E77667 | 472653AK0 | 2004-A | 9CJ |
| | | | |
| E77668 | 472653AL8 | 2004-A | 005 |
| E77668 | 472653AL8 | 2004-A | 141 |
| E77668 | 472653AL8 | 2004-A | 161 |
| E77668 | 472653AL8 | 2004-A | 164 |
| E77668 | 472653AL8 | 2004-A | 188 |
| E77668 | 472653AL8 | 2004-A | 235 |
| E77668 | 472653AL8 | 2004-A | 443 |
| E77668 | 472653AL8 | 2004-A | 54R |
| E77668 | 472653AL8 | 2004-A | 808 |
| E77668 | 472653AL8 | 2004-A | 82D |
| E77668 | 472653AL8 | 2004-A | 9CJ |
| E77668 | 472653AL8 | 2004-A | 96L |
| | | | |
| E77670 | 472653AN4 | 2004-A | 005 |
| E77670 | 472653AN4 | 2004-A | 82D |
| | | | |
| E77671 | 472653AP9 | 2004-A | 005 |
| E77671 | 472653AP9 | 2004-A | 057 |
| E77671 | 472653AP9 | 2004-A | 141 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|--------|----------------|
| E77671 | 472653AP9 | 2004-A | 161 |
| E77671 | 472653AP9 | 2004-A | 164 |
| E77671 | 472653AP9 | 2004-A | 188 |
| E77671 | 472653AP9 | 2004-A | 221 |
| E77671 | 472653AP9 | 2004-A | 235 |
| E77671 | 472653AP9 | 2004-A | 352 |
| E77671 | 472653AP9 | 2004-A | 374 |
| E77671 | 472653AP9 | 2004-A | 443 |
| E77671 | 472653AP9 | 2004-A | 54R |
| E77671 | 472653AP9 | 2004-A | 571 |
| E77671 | 472653AP9 | 2004-A | 808 |
| E77671 | 472653AP9 | 2004-A | 897 |
| E77671 | 472653AP9 | 2004-A | 9CJ |
| | | | |
| E77672 | 472653AQ7 | 2004-A | 005 |
| E77672 | 472653AQ7 | 2004-A | 352 |
| | | | |
| E77673 | 472653AR5 | 2004-A | 5 |
| E77673 | 472653AR5 | 2004-A | 57 |
| E77673 | 472653AR5 | 2004-A | 164 |
| E77673 | 472653AR5 | 2004-A | 374 |
| E77673 | 472653AR5 | 2004-A | 443 |
| E77673 | 472653AR5 | 2004-A | 54R |
| E77673 | 472653AR5 | 2004-A | 808 |
| E77673 | 472653AR5 | 2004-A | 9CJ |
| | | | |
| E77674 | 472653AS3 | 2004-A | C11 |
| E77674 | 472653AS3 | 2004-A | 0L3 |
| E77674 | 472653AS3 | 2004-A | 005 |
| E77674 | 472653AS3 | 2004-A | 164 |
| E77674 | 472653AS3 | 2004-A | 188 |
| E77674 | 472653AS3 | 2004-A | 221 |
| E77674 | 472653AS3 | 2004-A | 235 |
| E77674 | 472653AS3 | 2004-A | 443 |
| E77674 | 472653AS3 | 2004-A | 725 |
| E77674 | 472653AS3 | 2004-A | 808 |
| E77674 | 472653AS3 | 2004-A | 82D |
| E77674 | 472653AS3 | 2004-A | 86Z |
| E77674 | 472653AS3 | 2004-A | 9CJ |
| | | | |
| E77675 | 472653AT1 | 2004-A | 005 |
| E77675 | 472653AT1 | 2004-A | 141 |
| E77675 | 472653AT1 | 2004-A | 164 |
| E77675 | 472653AT1 | 2004-A | 221 |
| E77675 | 472653AT1 | 2004-A | 235 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|--------|----------------|
| E77675 | 472653AT1 | 2004-A | 443 |
| E77675 | 472653AT1 | 2004-A | 9CJ |
| E77675 | 472653AT1 | 2004-A | 96L |
| | | | |
| E77676 | 472653AU8 | 2004-A | 005 |
| E77676 | 472653AU8 | 2004-A | 015 |
| E77676 | 472653AU8 | 2004-A | 057 |
| E77676 | 472653AU8 | 2004-A | 141 |
| E77676 | 472653AU8 | 2004-A | 158 |
| E77676 | 472653AU8 | 2004-A | 161 |
| E77676 | 472653AU8 | 2004-A | 164 |
| E77676 | 472653AU8 | 2004-A | 188 |
| E77676 | 472653AU8 | 2004-A | 216 |
| E77676 | 472653AU8 | 2004-A | 221 |
| E77676 | 472653AU8 | 2004-A | 23N |
| E77676 | 472653AU8 | 2004-A | 235 |
| E77676 | 472653AU8 | 2004-A | 279 |
| E77676 | 472653AU8 | 2004-A | 352 |
| E77676 | 472653AU8 | 2004-A | 443 |
| E77676 | 472653AU8 | 2004-A | 54R |
| E77676 | 472653AU8 | 2004-A | 547 |
| E77676 | 472653AU8 | 2004-A | 571 |
| E77676 | 472653AU8 | 2004-A | 725 |
| E77676 | 472653AU8 | 2004-A | 750 |
| E77676 | 472653AU8 | 2004-A | 808 |
| E77676 | 472653AU8 | 2004-A | 897 |
| E77676 | 472653AU8 | 2004-A | 9CJ |
| E77676 | 472653AU8 | 2004-A | 96L |
| | | | |
| E77677 | 472653BA1 | 2005-A | 005 |
| E77677 | 472653BA1 | 2005-A | 015 |
| E77677 | 472653BA1 | 2005-A | 161 |
| E77677 | 472653BA1 | 2005-A | 164 |
| E77677 | 472653BA1 | 2005-A | 725 |
| | | | |
| E77678 | 472653BB9 | 2005-A | 0L3 |
| E77678 | 472653BB9 | 2005-A | 005 |
| E77678 | 472653BB9 | 2005-A | 015 |
| E77678 | 472653BB9 | 2005-A | 164 |
| E77678 | 472653BB9 | 2005-A | 221 |
| E77678 | 472653BB9 | 2005-A | 235 |
| E77678 | 472653BB9 | 2005-A | 309 |
| E77678 | 472653BB9 | 2005-A | 352 |
| E77678 | 472653BB9 | 2005-A | 443 |
| E77678 | 472653BB9 | 2005-A | 725 |

| JOB # | CUSIP # | SERIES | REORG CLIENT # |
|--------|-----------|--------|----------------|
| E77678 | 472653BB9 | 2005-A | 82D |
| | | | |
| E77679 | 472653BC7 | 2005-A | 005 |
| E77679 | 472653BC7 | 2005-A | 015 |
| E77679 | 472653BC7 | 2005-A | 725 |
| | | | |
| E77680 | 472653BD5 | 2005-A | 005 |
| E77680 | 472653BD5 | 2005-A | 164 |
| E77680 | 472653BD5 | 2005-A | 367 |
| E77680 | 472653BD5 | 2005-A | 725 |
| E77680 | 472653BD5 | 2005-A | 808 |

Exhibit C

| Client Number | Company |
|---------------|---|
| 07N | ABN AMRO CLEARING |
| 284 | ALBERT FRIED & COMPANY, LLC |
| 95Q | Alerus Financial |
| 13R | Alliance Bank |
| 084 | Alliant Securities, Inc. |
| 072 | Alpine Securities |
| 14Q | American Bank & Trust |
| 216 | Ameriprise Financial Services |
| 158 | APEX CLEARING SERVICES, INC. |
| 30M | ATG TRUST COMPANY |
| 136 | Banca IMI Securities |
| 101 | Barclays Capital |
| 86Z | Barclays Capital Inc |
| 702 | BB&T Securities |
| 70M | BESSEMER TRUST COMPANY |
| 85Z | Bessemer Trust Company |
| 049 | BNP Paribas |
| 289 | BNP Paribas New York Branch |
| 33Z | BNP Paribas Prime Brokerage Inc |
| 9V2 | Brown Brothers Harriman |
| CCC | CANADIAN & US BRG ASSOC. FOR NIGHTLY DISTRO |
| 697 | Cantor Fitzgerald & Company, Inc. |
| 61V | Cattle National Bank |
| 701 | CETERA INVESTMENT SERVICES LLC |
| 164 | Charles Schwab |
| 438 | CIBC World Markets |
| C32 | CIBC World Markets |
| 78X | Citigroup World Markets |
| 78W | Citicorp Financial Services |
| 78T | Citicorp Investment Services |
| 78V | Citigroup Global Markets |
| 78U | Citigroup Global Markets |
| 418 | Citigroup Global Markets |

| Client Number | Company |
|---------------|------------------------------------|
| 78P | CITIGROUP GLOBAL MARKETS |
| 78R | Citigroup Global Markets (EMSIP) |
| 78S | Cititrade |
| 04M | Clinton National Bank |
| 126 | Commerz Markets LLC |
| 24M | Community National Bank |
| 79M | Country Trust Bank |
| 55R | Credit Suisse First Boston |
| 355 | Credit Suisse First Boston Corp. |
| 66S | Cumberland Valley Nat'l Bank |
| 361 | D.A.Davidson & Co.,Inc. |
| 1T4 | Daiwa Securities Trust Company |
| 715 | Davenport & Company L.L.C |
| 514 | David Lerner Associates, Inc. |
| 54R | E*Trade Securities |
| 448 | E.S. FINANCIAL SERVICES INC. |
| 057 | Edward Jones |
| 5D6 | Electronic Transaction Clearing |
| 476 | Fagenson & Co. |
| 45Q | First Bankers Trust Co |
| 141 | First Clearing |
| 22R | First International Bank & Trust |
| 97C | First National Bank of Onaga |
| 33J | First Premier Bank |
| 309 | First Southwest Company |
| 9CJ | FMSbonds Inc |
| 07J | Foley and Lardner |
| 4B0 | Fort Madison Bank & Trust |
| 98L | Genworth Financial |
| 129 | George K. Baum & Co. Inc. |
| 005 | Goldman Sachs & Company |
| 501 | Goldman Sachs Execution & Clearing |
| A20 | Goldman Sachs International |
| A21 | Goldman Sachs Trust Co. |
| 79S | Great Western Bank |

| Client Number | Company |
|---------------|--|
| 045 | Harris Nesbitt Corp. |
| 11L | Heartland Bank and Trust Co |
| 76Y | Hold Brothers |
| 816 | HSBC Brokerage |
| 41P | Interactive Brokers |
| 58R | Interactive Brokers Canada |
| AAA | INTERNAL BROADRIDGE DISTRO LIST!!! |
| 768 | J.J.B Hilliard, W.L. Lyons Inc. |
| 0L3 | J.P. Morgan Chase |
| 352 | J.P. Morgan Clearing Corp |
| 060 | J.P. Morgan Securities |
| 731 | James I Black |
| 374 | Janney Montgomery Scott |
| 04X | Jones National Bank & Trust |
| 82D | JP Morgan Chase Bank |
| 28K | Key Trust N.A |
| 799 | Keybank Capital MarketsMcDonald Investments Inc. |
| 712 | Koonce Securities Inc. |
| 5A2 | Lake Elmo Bank |
| 308 | Lazard Freres & Co.L.L.C |
| 32Z | LEK Securities Corp |
| 23N | LPL Financial |
| 287 | Marsco Investments |
| 161 | Merrill Lynch |
| 727 | Mesirow Financial, Inc. |
| 06F | Midwest Bank of Western Illinois |
| 773 | ML, PIERCE, FENNER & SMITH INC |
| 780 | Morgan Keegan & Co., Inc. |
| 015 | Morgan Stanley |
| 050 | Morgan Stanley Dean Witter |
| 71R | MORGAN STANLEY SMITH BARNEY (ESP) |
| 0H1 | MutualBank |
| 808 | National Financial Services Corp. |
| 608 | Newedge USA LLC |

| Client Number | Company |
|---------------|----------------------------------|
| 571 | Oppenheimer & Co. |
| 807 | People's Securities In. |
| 443 | Pershing |
| 467 | PWMCO LLC. |
| K7K | Ramsey National Bank |
| 725 | Raymond James & Associates, Inc. |
| 235 | RBC Capital Markets |
| 425 | RBS Securities Inc. |
| 547 | Robert W. Baird & Co., Inc. |
| 274 | Salomon Smith Barney |
| 82Q | Sanford Bernstein |
| 096 | Scotia Capital |
| 897 | Scottrade, Inc. |
| 286 | SG Americas Securities,LLC |
| 95M | Sharebuilder Securities Corp |
| 494 | Smith Moore & Co |
| 279 | Southwest Securities, Inc. |
| 92T | Star Wealth Management |
| 81Y | State Bank of Lincoln |
| 61C | State Street Bank & Trust |
| 419 | Stephens Inc. |
| 750 | Sterne, Agee & Leach Inc. |
| 188 | TD Ameritrade Clearing |
| 2A9 | The First National Bank |
| 54G | The Suffolk County National Bank |
| 98Q | The Trust Co of Oxford |
| 804 | Tradestation Securities |
| 280 | U.S. Bancorp Investments, Inc. |
| 169 | UBS AG Stamford Branch |
| 221 | UBS Financial Services |
| 642 | UBS Securities L.L.C |
| 311 | US Bancorp Piper Jaffray |
| 367 | USAA Brokerage Service |
| 96L | Vanguard Brokerage Services |
| 29Y | Vision Financial |

| Client Number | Company |
|---------------|---|
| 86N | WAUKESHA STATE BANK |
| 103 | Wedbush Morgan Securities, Inc. |
| 82V | Wells Fargo Bank / Safekeeping Services |
| 002 | Wells Fargo Brokerage Services |
| 78N | West Coast Inc |
| 283 | Wilson-Davis & Co |
| 522 | Wulff Hansen |
| 824 | ZIV Investment Company |
| C11 | RBC Dominion Securities |

Exhibit D



September 26th 2013

David Hartie
Director, Public Securities Services
KCC
599 Lexington Avenue, 39th Floor
New York, NY 10022
tel 917.281.4821
fax 917.281.4921
dhartie@kccllc.com
www.kccllc.com

Dear David,

This Affidavit of Mailing certifies that the material described below was sent for delivery to the beneficial holders of JEFFERSON COUNTY, passed to us by our Bank and Broker clients.

| | |
|------------------|---|
| Company Name: | JEFFERSON COUNTY |
| Type of Mailing: | Full Package Envelopes Containing Notice Material |
| Mailing Date: | 09/10/2013 |
| Class Of Mail: | USPS First Class Mail |
| Total Pieces: | 802 |

Sincerely,

Sworn to before me this 26th day of
September, 2013

Rosario Colachagua
Client Service Representative
Investor Communication Solutions

Notary Public

Yokasta Arriaza
Notary Public, State of New York
No 01AR6246457
Qualified in Suffolk County
Commission Expires August 8, 2015



Recycled
Supporting responsible use
of forest products
www.fsc.org Cert no. SW-COC-0023rd
© 1996 Forest Stewardship Council



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

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

SUPPLEMENTAL AFFIDAVIT OF SERVICE

I, Gil Hopenstand, depose and say under the penalty of perjury:

1. I am employed by Kurtzman Carson Consultants LLC (“KCC”), the balloting agent (“the “Balloting Agent”) for Jefferson County, Alabama (the “County”), the debtor in the above-referenced case. My business address is 2335 Alaska Avenue, El Segundo, California, 90245. I am over the age of 18 and not a party to this action. Except as otherwise noted, I could and would testify to the following based upon my personal knowledge. I submit this Affidavit in connection with the service of Solicitation Packages (as defined herein) for the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1911**] (the “Plan”).
2. On August 7, 2013, the Court entered its *Order Approving: (A) the "Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)"; and (B) Related Disclosure Statement Procedures, Deadlines, and Notices* [**Docket No. 1974**] (the “Disclosure Statement Order”) and *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* [**Docket No. 1975**] (the “Solicitation Procedures Order”).¹
3. As the County’s Balloting Agent, KCC is charged with the duty of printing and distributing Solicitation Packages to creditors and other interested parties pursuant to the instructions set forth in the Disclosure Statement Order and the Solicitation Procedures Order.
4. The court-approved solicitation materials (collectively, the “Solicitation Package”) consist of the following:
 - a. the *Solicitation Package Cover Letter* (the “Cover Letter”), attached hereto as **Exhibit F**;
 - b. *Notice of (I) Approval of Disclosure Statement, (II) Confirmation Hearing on Chapter 9 Plan of Adjustment, and (III) Procedures and Deadlines Regarding Confirmation of the Plan* [**Docket No. 1979**] (the “Confirmation Hearing Notice”);


¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan or the Solicitation Procedures Order.



- c. a CD-ROM (the "CD-ROM") containing electronic copies of the Cover Letter; the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1977**] (the "Disclosure Statement"); and the exhibits thereto, including the Plan; and the Confirmation Hearing Notice;
 - d. a class-specific Ballot; and
 - e. a postage pre-paid return envelope (the "Ballot Return Envelope").
5. On September 6, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 6 Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit A.**
 6. On September 11, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 6 Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit B.**
 7. On September 18, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 6 Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit C.**
 8. On September 24, 2013, at my direction and under my supervision, employees of KCC sent, via E-Mail, copies of the Class 6 Ballot to the party identified in the exhibit attached hereto as **Exhibit D.**
 9. On September 26, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 7 Ballot and Ballot Return Envelope to the party identified in the exhibit attached hereto as **Exhibit E.**

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief. If called to testify at trial on this matter, I would testify under oath to the facts stated in this Affidavit.

Dated: October 9, 2013


 Gil Hopenstand

Kurtzman Carson Consultants LLC
 2335 Alaska Avenue
 El Segundo, CA 90245
 Phone: (310) 823-9000

State of California
 County of Los Angeles

Subscribed and sworn to (or affirmed) before me on October 9, 2013 by Gil Hopenstand, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: 

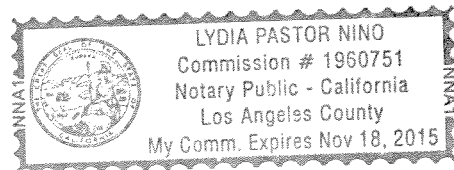


Exhibit A

Exhibit A
Class 6 - General Unsecured Claims

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | City | State | Zip |
|-------------------|----------------------------|-----------------------|------------------------------|------------|-------|-------|
| Heartwood 88, LLC | c/o Frank C. Galloway, III | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | Birmingham | AL | 35209 |
| Simmons Bonnie | | 1108D Rue Maison | | Birmingham | AL | 35209 |

Exhibit B

Exhibit B
 Class 6 - General Unsecured Claims

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | City | State | Zip |
|---|------------------------|--|------------------------------|-----------|-------|-------|
| Assured Guaranty Municipal Corp. | c/o Assured Guaranty | Attn Kevin J. Lyons and Terence L. Workman | 31 West 52nd Street | New York | NY | 10019 |
| Financial Guaranty Insurance Company | H. Slayton Dabney, Jr. | Dabney, PLLC | 303 Grande Court | Richmond | VA | 23229 |
| Syncora Guarantee Inc. | Attn Frederick B. Hnat | 135 West 50th Street | 20th Floor | New York | NY | 10020 |
| The Bank of New York Mellon, as Indenture Trustee | c/o David E. Lemke | Waller Lansden Dortch & Davis, LLP | 511 Union Street, Suite 2700 | Nashville | TN | 37219 |

Exhibit C

Exhibit C
 Class 6 - General Unsecured Claims

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | City | State | Zip | Country |
|-----------------------------------|--------------------------|--|----------------------|----------|-------|------------|---------|
| Assured Guaranty Corp. | c/o Assured Guaranty | Attn Kevin J. Lyons & Terence L. Workman | 31 West 52nd Street | New York | NY | 10019-0000 | |
| Assured Guaranty Re Ltd. | c/o Assured Guaranty Ltd | Attn James Michener, General Counsel | 30 Woodbourne Avenue | Hamilton | | HM 08 | Bermuda |
| Assured Guaranty Re Overseas Ltd. | c/o Assured Guaranty Ltd | Attn James Michener, General Counsel | 30 Woodbourne Avenue | Hamilton | | HM 08 | Bermuda |

Exhibit D

Exhibit D
Class 6 - General Unsecured Claims

| Creditor Name | Notice Name | E-Mail | Party / Function |
|------------------------|--------------------------------|--|------------------------------------|
| Syncora Guarantee Inc. | Eric Kay and Xochitl Strohhahn | erickay@quinnemanuel.com ; xochitlstrohhahn@quinnemanuel.com | Counsel for Syncora Guarantee Inc. |

Exhibit E

Exhibit E
Class 7 - Bessemer Lease Claims

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | City | State | Zip |
|-----------------------------|----------------------|----------------------------------|--------------------|----------|-------|-------|
| Ambac Assurance Corporation | Ryan A. Wagner | c o McDermott Will and Emery LLP | 340 Madison Avenue | New York | NY | 10173 |

Exhibit F



**In re: Jefferson County, Alabama, a political subdivision of the State of Alabama
Chapter 9 Case No. 11-05736 (TBB)**

Dear Holder of an Impaired Claim:

Jefferson County, Alabama (the "County") is pleased to present the enclosed Solicitation Package for your consideration.

**YOU ARE RECEIVING THIS LETTER BECAUSE YOU ARE
ENTITLED TO VOTE ON THE PLAN (AS DEFINED BELOW)**

By order dated August 7, 2013, the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court") approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time, the "Disclosure Statement"), filed by the County, and authorized the County to solicit votes with respect to the approval or rejection of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the "Plan").¹

You have received this letter and the enclosed Solicitation Package materials because you are entitled to vote on the Plan.

In the opinion of the County, the Plan is preferable to the alternatives described in the enclosed Disclosure Statement. **Accordingly, the County recommends that holders of Impaired Claims entitled to vote on the Plan support confirmation of the Plan and vote to accept the Plan by timely completing and returning the enclosed Ballot.**

**THE COUNTY STRONGLY URGES YOU TO PROPERLY AND
TIMELY CAST YOUR BALLOT TO ACCEPT THE PLAN**

In addition to this cover letter, you have received the enclosed materials, referred to as the "Solicitation Package," which the Bankruptcy Court approved for distribution in connection with the solicitation of votes to accept the Plan, and which consist of the following:

¹ All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to those Defined Terms in the Plan.

- (i) the Confirmation Hearing Notice;
- (ii) the Disclosure Statement, as approved by the Bankruptcy Court (with all exhibits, including the Plan) in electronic format on a CD-ROM; and
- (iii) an appropriate Ballot (together with detailed voting instructions and a postage prepaid, pre-addressed return envelope).

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, if you received Solicitation Package materials in CD-ROM format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may contact the County's Claims and Noticing Agent and Ballot Tabulator, Kurtzman Carson Consultants LLC ("KCC") by: (a) calling by telephone at (866) 967-0677; (b) visiting the County's restructuring website at <http://www.jeffersoncountyrestructuring.com>; and/or (c) writing to KCC at Jefferson County Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245. Copies any pleadings filed in the County's Chapter 9 case are also available for review and download at the Bankruptcy Court's website, www.alnb.uscourts.gov. Alternatively, these documents may be accessed through the Bankruptcy Court's "PACER" website, <https://ecf.alnb.uscourts.gov>. A PACER password and login are needed to access documents on the Court's "PACER" website. A PACER password can be obtained at <http://www.pacer.gov>.

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

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

SUPPLEMENTAL AFFIDAVIT OF SERVICE (REDACTED)

I, Stephanie Delgado, depose and say under the penalty of perjury:

1. I am employed by Kurtzman Carson Consultants LLC (“KCC”), the balloting agent (“the “Balloting Agent”) for Jefferson County, Alabama (the “County”), the debtor in the above-referenced case. My business address is 2335 Alaska Avenue, El Segundo, California, 90245. I am over the age of 18 and not a party to this action. Except as otherwise noted, I could and would testify to the following based upon my personal knowledge. I submit this Supplemental Affidavit in connection with the service of Solicitation Packages (as defined herein) for the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013) [Docket No. 1911]* (the “Plan”).
2. On August 7, 2013, the Court entered its *Order Approving: (A) the "Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)"; and (B) Related Disclosure Statement Procedures, Deadlines, and Notices [Docket No. 1974]* (the “Disclosure Statement Order”) and *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 [Docket No. 1975]* (the “Solicitation Procedures Order”).¹
3. As the County’s Balloting Agent, KCC is charged with the duty of printing and distributing Solicitation Packages to creditors and other interested parties pursuant to the instructions set forth in the Disclosure Statement Order and the Solicitation Procedures Order.
4. The court-approved solicitation materials (collectively, the “Solicitation Package”) consist of the following:
 - a. the *Solicitation Package Cover Letter* (the “Cover Letter”), attached hereto as **Exhibit E**;
 - b. *Notice of (I) Approval of Disclosure Statement, (II) Confirmation Hearing on Chapter 9 Plan of Adjustment, and (III) Procedures and Deadlines Regarding Confirmation of the Plan [Docket No. 1979]* (the “Confirmation Hearing Notice”);

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan or the Solicitation Procedures Order.



- c. a CD-ROM (the "CD-ROM") containing electronic copies of the Cover Letter; the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1977**] (the "Disclosure Statement"); and the exhibits thereto, including the Plan; and the Confirmation Hearing Notice;
- d. a class-specific Ballot; and
- e. a postage pre-paid return envelope (the "Ballot Return Envelope").

5. On September 6, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 6 Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit A**.
6. On or before September 16, 2013, at my direction and under my supervision, employees of KCC sent per postal forwarding address, via First Class Mail, copies of the Confirmation Hearing Notice to the parties identified in the exhibits attached hereto as **Exhibit B** and **Exhibit C**. Exhibit C has been redacted in accordance with the Court's Confidentiality Order.
7. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Notice of Non-Voting Status and the Confirmation Hearing Notice to the Class 4 parties that are conclusively presumed to accept the Plan and are identified in the exhibit attached hereto as **Exhibit D**.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: September 20, 2013



Stephanie Delgado
 Kurtzman Carson Consultants LLC
 2335 Alaska Avenue
 El Segundo, CA 90245
 Phone: (310) 823-9000

State of California
 County of Los Angeles

Subscribed and sworn to (or affirmed) before me on September 20, 2013 by Stephanie Delgado, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: 

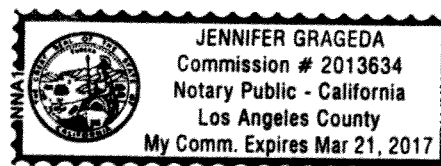


EXHIBIT A

Class 6
General Unsecured Claims

| CreditorName | CreditorNoticeName | Address | City | State | Zip |
|-----------------------|--------------------|---------------------|-------------|-------|-------|
| BBA Developments, LLC | Attn Chuck Belcher | 651 Main St Ste 101 | Gardendale | AL | 35071 |
| KCI USA, Inc. | ARM FBC Dept | 12930 IH-10 West | San Antonio | TX | 78249 |
| KCI USA, Inc. | | 12930 IH-10 West | San Antonio | TX | 78249 |

EXHIBIT B

Creditor Matrix

| CreditorName | CreditorNoticeName | Address | City | State | Zip |
|--------------------------|--|--------------------------------|------------|-------|------------|
| Armantha A. Zellander | | 6110 Steeple Chase Dr | Pinson | AL | 35126-3481 |
| Bala G. Luguja | | 1464 Berry Rd | Birmingham | AL | 35226-3249 |
| Barton Josephine | c o Wendy N Thornton Esq | 4274 Cahaba Heights Ct Ste 240 | Vestavia | AL | 35243-5727 |
| Chibuike Peter Ulasi | | 5886 Shades Run Ln | Hoover | AL | 35244-4110 |
| Daniel L. Peoples | | 521 Elder St | Irondale | AL | 35210-3303 |
| Daniel L. Peoples | Daniel L. Peoples | 521 Elder St | Irondale | AL | 35210-3303 |
| Fredrick Lamon Holifield | | 721 Chapel Creek Ln | Fultondale | AL | 35068-6044 |
| Gwen Walker Rooks | | 322 Edenwood Dr | Jackson | TN | 38301-3433 |
| H N R Plumbing | | 10093 US Highway 411 | Odenville | AL | 35120-5135 |
| Jamie Floyd Sullivan | | 2737 Altadena Lake Dr | Vestavia | AL | 35243-3013 |
| Jeffrey Lee Crenshaw | | 303 Yorkshire Dr | Birmingham | AL | 35209-4309 |
| John W. Blackerby | | 2532 Burlington Dr W | Mobile | AL | 36695-9538 |
| Lauren Elizabeth Leach | | 155 Narrows Creek Dr | Birmingham | AL | 35242-8613 |
| Mary Ann Means | | 1500 Ensley 5 Points W Ave | Birmingham | AL | 35218-1233 |
| Michael Kidd | | 8474 Shady Trl | Helena | AL | 35022-1609 |
| Rachel Ann Hall | | 4424 Cherry Ave | Graysville | AL | 35073-9600 |
| Rachel Ann Williams | | 499 Richardson Sd Rd | Parrish | AL | 35580-6112 |
| Richard L. Lovell | | 301 Hillmoor Ln | Birmingham | AL | 32509-6907 |
| Ronny J. Kent | | 9952 Merritt Ct | Fairhope | AL | 36532-5023 |
| Royce Shannon Davis | | 2067 Willow Glenn Dr | Birmingham | AL | 35215-5000 |
| Thomas William | as next friend of Bruce Thomasc o Gathings Law | 2204 Lakeshore Dr No 406 | Birmingham | AL | 35209-6729 |
| Walters Robin Renee | | 900 Hillcrest Ave | Birmingham | AL | 35235-1103 |
| Willard Meadows Jr | | 5353 S Shades Crest Rd | Bessemer | AL | 35022-4222 |

EXHIBIT C

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

EXHIBIT D

Class 4
Other Secured Claims, including Secured Tax Claims

| Name | Address | City | State | Zip |
|----------------|-----------------|------------|-------|------------|
| Simmons Bonnie | 525 Hickory Knl | Birmingham | AL | 35226-3257 |

EXHIBIT E



**In re: Jefferson County, Alabama, a political subdivision of the State of Alabama
Chapter 9 Case No. 11-05736 (TBB)**

Dear Holder of an Impaired Claim:

Jefferson County, Alabama (the "County") is pleased to present the enclosed Solicitation Package for your consideration.

**YOU ARE RECEIVING THIS LETTER BECAUSE YOU ARE
ENTITLED TO VOTE ON THE PLAN (AS DEFINED BELOW)**

By order dated August 7, 2013, the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court") approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time, the "Disclosure Statement"), filed by the County, and authorized the County to solicit votes with respect to the approval or rejection of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the "Plan").¹

You have received this letter and the enclosed Solicitation Package materials because you are entitled to vote on the Plan.

In the opinion of the County, the Plan is preferable to the alternatives described in the enclosed Disclosure Statement. **Accordingly, the County recommends that holders of Impaired Claims entitled to vote on the Plan support confirmation of the Plan and vote to accept the Plan by timely completing and returning the enclosed Ballot.**

**THE COUNTY STRONGLY URGES YOU TO PROPERLY AND
TIMELY CAST YOUR BALLOT TO ACCEPT THE PLAN**

In addition to this cover letter, you have received the enclosed materials, referred to as the "Solicitation Package," which the Bankruptcy Court approved for distribution in connection with the solicitation of votes to accept the Plan, and which consist of the following:

¹ All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to those Defined Terms in the Plan.

- (i) the Confirmation Hearing Notice;
- (ii) the Disclosure Statement, as approved by the Bankruptcy Court (with all exhibits, including the Plan) in electronic format on a CD-ROM; and
- (iii) an appropriate Ballot (together with detailed voting instructions and a postage prepaid, pre-addressed return envelope).

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, if you received Solicitation Package materials in CD-ROM format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may contact the County's Claims and Noticing Agent and Ballot Tabulator, Kurtzman Carson Consultants LLC ("KCC") by: (a) calling by telephone at (866) 967-0677; (b) visiting the County's restructuring website at <http://www.jeffersoncountyrestructuring.com>; and/or (c) writing to KCC at Jefferson County Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245. Copies any pleadings filed in the County's Chapter 9 case are also available for review and download at the Bankruptcy Court's website, www.alnb.uscourts.gov. Alternatively, these documents may be accessed through the Bankruptcy Court's "PACER" website, <https://ecf.alnb.uscourts.gov>. A PACER password and login are needed to access documents on the Court's "PACER" website. A PACER password can be obtained at <http://www.pacer.gov>.

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

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

AFFIDAVIT OF SERVICE

I, David Hartie, a non-attorney, depose and say under the penalty of perjury:

1. I am employed by Kurtzman Carson Consultants LLC (“KCC”), the balloting agent (the “Balloting Agent”) for Jefferson County, Alabama (the “County”), the debtor in the above-referenced case. My business address is 599 Lexington Avenue, 39th Floor, New York, NY 10022. I am over the age of 18 and not a party to this action. Except as otherwise noted, I could and would testify to the following based upon my personal knowledge. I submit this Affidavit in connection with the service of Solicitation Packages (as defined herein) for the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1911**] (the “Plan”).
2. On August 7, 2013, the Court entered its *Order Approving: (A) the "Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)"; and (B) Related Disclosure Statement Procedures, Deadlines, and Notices* [**Docket No. 1974**] (the “Disclosure Statement Order”) and *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* [**Docket No. 1975**] (the “Solicitation Procedures Order”).¹
3. As the County's Balloting Agent, KCC is charged with the duty of preparing and distributing Solicitation Packages to creditors and other interested parties pursuant to the instructions set forth in the Disclosure Statement Order and the Solicitation Procedures Order.
4. The court-approved solicitation materials (collectively, the “Solicitation Package”) consist of the following:
 - a. the *Solicitation Package Cover Letter* (the “Cover Letter”), attached hereto as **Exhibit A**;

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan or the Solicitation Procedures Order.



- b. *Notice of (I) Approval of Disclosure Statement, (II) Confirmation Hearing on Chapter 9 Plan of Adjustment, and (III) Procedures and Deadlines Regarding Confirmation of the Plan* [**Docket No. 1979**] (the “Confirmation Hearing Notice”);
 - c. a CD-ROM (the “CD-ROM”) containing electronic copies of the Cover Letter; the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1977**] (the “Disclosure Statement”) and the exhibits thereto, including the Plan; and the Confirmation Hearing Notice;
 - d. a class-specific Ballot; and
 - e. a postage pre-paid return envelope (the “Ballot Return Envelope”).
5. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via Overnight mail to the parties identified in the exhibit attached hereto as **Exhibit B**, the appropriate quantity of copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM and Class 1-A Ballot for subsequent forwarding to the holders of Sewer Warrants Claims identified in the exhibit attached hereto as **Exhibit C**.
 6. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM and Class 1-A Ballot to the parties identified in the exhibit attached hereto as **Exhibit D**.
 7. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Class 1-A Master Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit E**.
 8. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, Class 1-B Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit F**.
 9. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Class 1-B Master Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit G**.
 10. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via hand delivery to the Designated Sewer Plan Support Parties, copies of the Designated Sewer Plan Support Parties’ Beneficial Ballot cover sheet attached hereto as **Exhibit H**, Cover Letter, the Confirmation Hearing Notice, the CD-ROM, Class 1-A and/or Class 1-B Ballot², as appropriate, to the Designated Sewer Plan Support Parties identified in the exhibit attached hereto as **Exhibit I**.
 11. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via Overnight mail to the Designated Sewer Plan Support Parties, copies of the Designated Sewer Plan Support Parties’ Beneficial Ballot cover sheet, Cover Letter, the Confirmation Hearing Notice, the CD-ROM, Class 1-A and/or Class 1-B Ballot, as appropriate, to the Designated Sewer Plan Support Parties identified in the exhibit attached hereto as **Exhibit J**.

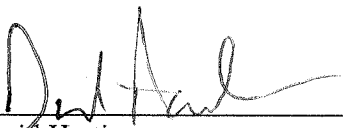
² The solicitation materials provided to the JPMorgan Parties also included Ballots for Class 1-D, Class 5-E and Class 6.

12. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via Overnight mail to the parties identified in the exhibit attached hereto as **Exhibit K**, the appropriate quantity of copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM and Class 2-A Ballot for subsequent forwarding to the holders of Series 2004-A School Claims identified in the exhibit attached hereto as **Exhibit L**.
13. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM and Class 2-A Ballot to the parties identified in the exhibit attached hereto as **Exhibit M**.
14. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Class 2-A Master Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit N**.
15. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via Overnight mail to the parties identified in the exhibit attached hereto as **Exhibit O**, the appropriate quantity of copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM and Class 2-B Ballot for subsequent forwarding to the holders of Series 2005-A School Claims identified in the exhibit attached hereto as **Exhibit P**.
16. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM and Class 2-B Ballot to the parties identified in the exhibit attached hereto as **Exhibit Q**.
17. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Class 2-B Master Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit R**.
18. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via Overnight mail to the parties identified in the exhibit attached hereto as **Exhibit S**, the appropriate quantity of copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM and Class 2-C Ballot for subsequent forwarding to the holders of Series 2005-B School Claims identified in the exhibit attached hereto as **Exhibit T**.
19. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Class 2-C Master Ballot and Ballot Return Envelope to the parties identified in **Exhibit S**.
20. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via Overnight mail to the parties identified in the exhibit attached hereto as **Exhibit U**, the appropriate quantity of copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM and Class 5-A Ballot for subsequent forwarding to the holders of Series 2001-B GO Warrants identified in the exhibit attached hereto as **Exhibit V**.
21. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Class 5-A Master Ballot and Ballot Return Envelope to the parties identified in **Exhibit U**.

22. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via Overnight mail to the parties identified in the exhibit attached hereto as Exhibit W, the appropriate quantity of copies of the Notice of Non-Voting Status and Confirmation Hearing Notice for subsequent forwarding to the holders of Class 3-A Board of Education Lease Claims, Class 5-B Series 2003-A GO Claims and Class 5-C Series 2004-A GO Claims that are conclusively presumed to accept the Plan and are identified in the exhibit attached hereto as Exhibit X.
23. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Notice of Non-Voting Status and Confirmation Hearing Notice to the parties identified in the exhibit attached hereto as Exhibit Y.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief. If called to testify at trial on this matter, I would testify under oath to the facts stated in this Affidavit.

Dated: September 13, 2013



David Hartie
Kurtzman Carson Consultants LLC
599 Lexington Avenue, 39th Floor
New York, NY 10022
Phone: (917) 281-4800

State of New York
County of New York

Subscribed and sworn to (or affirmed) before me on September 13, 2013 by David Hartie, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature:  _____



Exhibit A



**In re: Jefferson County, Alabama, a political subdivision of the State of Alabama
Chapter 9 Case No. 11-05736 (TBB)**

Dear Holder of an Impaired Claim:

Jefferson County, Alabama (the "County") is pleased to present the enclosed Solicitation Package for your consideration.

**YOU ARE RECEIVING THIS LETTER BECAUSE YOU ARE
ENTITLED TO VOTE ON THE PLAN (AS DEFINED BELOW)**

By order dated August 7, 2013, the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court") approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time, the "Disclosure Statement"), filed by the County, and authorized the County to solicit votes with respect to the approval or rejection of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the "Plan").¹

You have received this letter and the enclosed Solicitation Package materials because you are entitled to vote on the Plan.

In the opinion of the County, the Plan is preferable to the alternatives described in the enclosed Disclosure Statement. **Accordingly, the County recommends that holders of Impaired Claims entitled to vote on the Plan support confirmation of the Plan and vote to accept the Plan by timely completing and returning the enclosed Ballot.**

**THE COUNTY STRONGLY URGES YOU TO PROPERLY AND
TIMELY CAST YOUR BALLOT TO ACCEPT THE PLAN**

In addition to this cover letter, you have received the enclosed materials, referred to as the "Solicitation Package," which the Bankruptcy Court approved for distribution in connection with the solicitation of votes to accept the Plan, and which consist of the following:

¹ All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to those Defined Terms in the Plan.

- (i) the Confirmation Hearing Notice;
- (ii) the Disclosure Statement, as approved by the Bankruptcy Court (with all exhibits, including the Plan) in electronic format on a CD-ROM; and
- (iii) an appropriate Ballot (together with detailed voting instructions and a postage prepaid, pre-addressed return envelope).

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, if you received Solicitation Package materials in CD-ROM format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may contact the County's Claims and Noticing Agent and Ballot Tabulator, Kurtzman Carson Consultants LLC ("KCC") by: (a) calling by telephone at (866) 967-0677; (b) visiting the County's restructuring website at <http://www.jeffersoncountyrestructuring.com>; and/or (c) writing to KCC at Jefferson County Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245. Copies any pleadings filed in the County's Chapter 9 case are also available for review and download at the Bankruptcy Court's website, www.alnb.uscourts.gov. Alternatively, these documents may be accessed through the Bankruptcy Court's "PACER" website, <https://ecf.alnb.uscourts.gov>. A PACER password and login are needed to access documents on the Court's "PACER" website. A PACER password can be obtained at <http://www.pacer.gov>.

Exhibit B

Exhibit B

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|-----------------------------|---------------------------|---------------------|----------|--------------|-------|-------|
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| Broadridge | Reorganization Department | 51 Mercedes Way | | Edgewood | NY | 11717 |
| Mediant Communications | Stephanie Fitzhenry | 109 North 5th St | | Saddle Brook | NJ | 07663 |
| The Bank of New York Mellon | Beth Stiffler | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| The Depository Trust Co | Swabera Mohamed | 570 Washington Blvd | | Jersey City | NJ | 07310 |

Exhibit C

Exhibit C

| Series | CUSIP |
|------------|-----------|
| 1997-A | 472682NV1 |
| 1997-A | 472682NW9 |
| 1997-A | 472682NX7 |
| 1997-A | 472682MC4 |
| 1997-A | 472682MD2 |
| 2001-A | 472682JF1 |
| 2001-A | 472682JG9 |
| 2001-A | 472682JH7 |
| 2001-A | 472682JJ3 |
| 2001-A | 472682JL8 |
| 2001-A | 472682JM6 |
| 2001-A | 472682JN4 |
| 2002-C-1-A | 472682KA0 |
| 2002-C-1-B | 472682KB8 |
| 2002-C-1-C | 472682KC6 |
| 2002-C-1-D | 472682KD4 |
| 2002-C-5 | 472682KH5 |
| 2003-B-1-A | 472682LH4 |
| 2003-B-1-B | 472682LJ0 |
| 2003-B-1-C | 472682LK7 |
| 2003-B-1-D | 472682LL5 |
| 2003-B-1-E | 472682LM3 |
| 2003-B-8 | 472682MQ3 |
| 2003-B-8 | 472682MR1 |
| 2003-B-8 | 472682MS9 |
| 2003-C-1 | 472682NA7 |
| 2003-C-2 | 472682NB5 |
| 2003-C-3 | 472682NC3 |
| 2003-C-4 | 472682ND1 |
| 2003-C-5 | 472682NE9 |
| 2003-C-6 | 472682NF6 |
| 2003-C-7 | 472682NG4 |
| 2003-C-8 | 472682NH2 |
| 2003-C-9 | 472682NJ8 |
| 2003-C-10 | 472682NK5 |

Exhibit D

Exhibit D

| Name | NoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|---|-----------------------------------|----------------------------------|-----------------------------|---------------|---------------|-------|------------|
| Ameriprise | Mike Kohler | 2178 Ameriprise Financial Center | | | Minneapolis | MN | 55474 |
| Baird Robert W & Co Incorporated | Dean Markofski | 777 E Wisconsin Ave | | | Milwaukee | WI | 53202 |
| Barclays Capital Inc / Barclays Capital | Nellie Foo | 200 Cedar Knolls Rd | | | Whippany | NJ | 07981-0000 |
| BNP Paribas NY Branch | Dean Galli | 525 Washington Blvd 9th Fl | | | Jersey City | NJ | 07310 |
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | | Pittsburgh | PA | 15259 |
| Charles Schwab & Co Inc | Nancy Brim | 2423 E Lincoln Dr | PHX PEAK 02 K130 | | Phoenix | AZ | 85016 |
| Citibank NA | Sandra Hernandez | 3800 Citibank Center B3 12 | | | Tampa | FL | 33610 |
| Citigroup Global Markets Inc | Patricia Haller | 111 Wall St | 6th Fl | | New York | NY | 10005 |
| Clearview Correspondent Services LLC | Linda Miller | 8006 Discovery Dr | | | Richmond | VA | 23229 |
| Credit Suisse Securities USA LLC | Adam Miranda | 1 Madison Ave | 2nd Fl | | New York | NY | 10010 |
| Crews & Associates Inc | Don Winton | 521 President Ave | Ste 800 | | Little Rock | AR | 72201 |
| Custodial Trust Co | Adriana Laramore | 14201 Dallas Pkwy | | | Dallas | TX | 75254 |
| Deutsche Bank Securities Inc | Kate Yasinskaya | Harborside Financial Center | 100 Plz One 2nd Fl | Corporate Act | Jersey City | NJ | 07311-0000 |
| Edward D Jones & Co | Nick Hummell | 12555 Manchester Rd | CADD Dept | | St Louis | MO | 63131 |
| ETrade Clearing LLC | Mandatory & Voluntary Reorg Teams | 1981 Marcus Ave | Ste 100 | | Lake Success | NY | 11042 |
| Fifth Third Bank | Lance Wells | 38 Fountain Square Plaza | Mail Drop 1090F1 | | Cincinnati | OH | 45263 |
| First Clearing LLC | Actions Corporate | 10700 Wheat First Dr | WS 1023 | | Glen Allen | VA | 23060 |
| First Southwest Co | Misty Thacker | 325 N St Paul | Ste 800 | | Dallas | TX | 75201 |
| Goldman Sachs & Co | Reorg Dept | 30 Hudson St | | | Jersey City | NJ | 07302-4699 |
| J P Morgan Clearing Corp | Christian Garcia | 14201 North Dallas Pkwy | 12th Fl | | Dallas | TX | 75254 |
| Janney Montgomery Scott LLC | Tim Dwyer | 1717 Arch St | Dividend/Reorg Dept 16th Fl | | Philadelphia | PA | 19103 |
| JP Morgan Chase Funding Inc. | John Halloran | 500 Stanton Christiana Road | DE3 4680 | | Newark | DE | 19713 |
| JP Morgan Securities Inc Fixed | Jack Dickson | 14201 North Dallas Tollway | 12 th Fl | | Dalls | TX | 75254 |
| JPMorgan Chase Bank NA | Reorg Dept | 14201 Dallas Parkway | | | Dallas | TX | 75254 |
| Legent Clearing | Bridget Geiger | 9300 Underwood Ave | Ste 400 | | Omaha | NE | 68114 |
| LPL Financial Corporation | Martha Strahan | 4828 Parkway Plaza Blvd | Attn Corporate Actions | | Charlotte | NC | 28217 |
| M&I Marshall & Ilsley Bank | Reorg Dept | 11270 West Park Place | Ste 400 | | Milwaukee | WI | 53224 |
| Merrill Lynch Pierce Fenner & Smith | Corp Actions Notifications Jax | Corporate Action Dept | 4804 Deer Lake Drive East | 4th Fl Bldg 3 | Jacksonville | FL | 32246 |
| Morgan Stanley & Co Inc | Michelle Ford | 1300 Thames Street | 7th Floor | | Baltimore | MD | 21231 |
| Morgan Stanley Smith Barney | Suzanne Mundle | Harborside Financial Center | 230 Plaza Three 6th Fl | | Jersey City | NJ | 07311 |
| National Financial Services | Lou Trezza | 200 Liberty St | | | New York | NY | 10281 |
| Northern Trust Co | Stella Castaneda | 801 S Canal St | Attn Capital Structures C1N | | Chicago | IL | 60607 |
| Oppenheimer & Co Inc | Attn Reorg Dept | 125 Broad St | 15th Fl | | New York | NY | 10004 |
| Optionsxpress Inc | Richard Trinh | 311 W Monroe St | Ste 1000 | | Chicago | IL | 60606 |
| Pershing LLC Securities Corporation | Helen Bialer | 1 Pershing Plaza | | | Jersey City | NJ | 07399-0000 |
| PNC Bank NA | Eileen Blake | 8800 Tincum Blvd | MS F6 F266 02 2 | | Philadelphia | PA | 19153 |
| Raymond James & Associates Inc | Tracey Goodwin | 880 Carillion Pkwy | | | St Petersburg | FL | 33733 |
| RBC Capital Markets Corporation | Steve Schafer Jr | 60 S 6th Street - P09 | | | Minneapolis | MN | 55402-4400 |
| Regions Bank | Reorg Dept | 250 Riverchase Pkwy East | | | Birmingham | AL | 35244 |
| Reliance Trust Co | Aaron Spivey | 3300 Northeast Expressway Bldg 1 | | | Atlanta | GA | 30341 |
| Ridge Clearing & Outsourcing Solutions | Mandatory & Voluntary Reorg Team | 2 Journal Square Plaza | 5th Fl | | Jersey City | NJ | 07306-0000 |
| Sanford C Bernstein & Co LLC | Carmine Carrella | One North Lexington Ave | | | White Plains | NY | 10601 |
| Scottrade Inc | Deborah Wynn | 12855 Flushing Meadows Dr | | | St Louis | MO | 63131 |
| SEI Private Trust Co | Jeff Hess | One Freedom Valley Drive | | | Oaks | PA | 19456 |
| Southwest Securities Inc | Christina Finzen | 1201 Elm St | Ste 3700 | | Dallas | TX | 75270 |
| SSB Trust Custody | Ed Chaney | 1200 Crown Colony Dr | | | Quincy | MA | 02169-0000 |
| State Street Bank and Trust Co | Sandra Polizio | Corp Actions JAB5E | 1776 Heritage Dr | | North Quincy | MA | 02171-0000 |
| Stephens Inc | Linda Thompson | 111 Center St | 4th Fl | | Little Rock | AR | 72201 |
| Sterne Agee & Leach Inc | Reorg Dept | Two Perimeter Park S | Ste 100W | | Birmingham | AL | 35243 |

Exhibit D

| Name | NoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|--|---------------------|------------------------|-----------------------|----------|-------------|-------|------------|
| Stifel Nicolaus & Co Inc | Chris Wiegand | 501 N Broadway | 7th Fl | | St. Louis | MO | 63102 |
| Stockcross Financial Services, Inc | Eleanor Pimentel | 77 Summer St | 3rd Fl | | Boston | MA | 02210-0000 |
| TD Ameritrade Clearing Inc | Mandi Foster | 1005 Ameritrade Pl | | | Bellevue | NE | 68005 |
| The Bank of New York Mellon | Beth Stiffler | 525 William Penn Pl | Rm 300 | | Pittsburgh | PA | 15259 |
| The Bank of New York Mellon/DBTC AME | Michael Kania | 525 William Penn Pl | Rm 300 | | Pittsburgh | PA | 15259 |
| The Bank of New York Mellon/FMSBONDS | Richard Mitterando | 16 Wall Street | 5th Floor | | New York | NY | 10005 |
| UBS Financial Services LLC | Salvatore Schiavone | 1200 Harbor Blvd | | | Weehawken | NJ | 07086-0000 |
| UBS Securities LLC | Gregory Contaldi | 480 Washington Blvd | | | Jersey City | NJ | 07310-0000 |
| US Bank NA | Michelle Bruss | MK WI S302 | 1555 N Rivercenter Dr | | Milwaukee | WI | 53212 |
| USAA Investment Management Co | Robert Baker | 9800 Fredericksburg Rd | | | San Antonio | TX | 78288 |
| Vanguard Marketing Corporation | James J Ahern | 100 Vanguard Blvd | | | Malvern | PA | 19355 |
| Wedbush Morgan Securities Inc | Hermon Alem | 1000 Wilshire Blvd | | | Los Angeles | CA | 90017 |
| Wells Fargo Bank NA/Sig | Robert Matera | 1525 W WT Harris Blvd | Corp Actions NC0675 | | Charlotte | NC | 28262 |
| Wells Fargo Bank, National Association | Kevin St. Louis | 733 Marquette Ave | MAC N9306 057 5th Fl | | Minneapolis | MN | 55402 |
| Wells Fargo Securities, LLC | Steve Turner | 1525 W WT Harris Blvd | Corp Actions NC0675 | | Charlotte | NC | 28262 |
| William Blair & Co LLC | Mariusz Niedbalec | 222 West Adams St | | | Chicago | IL | 60606 |

Exhibit E

Exhibit E

| Name | NoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|---|-----------------------------------|----------------------------------|-----------------------------|---------------|---------------|-------|------------|
| Ameriprise | Mike Kohler | 2178 Ameriprise Financial Center | | | Minneapolis | MN | 55474 |
| Baird Robert W & Co Incorporated | Dean Markofski | 777 E Wisconsin Ave | | | Milwaukee | WI | 53202 |
| Barclays Capital Inc / Barclays Capital | Nellie Foo | 200 Cedar Knolls Rd | | | Whippany | NJ | 07981-0000 |
| BNP Paribas NY Branch | Dean Galli | 525 Washington Blvd 9th Fl | | | Jersey City | NJ | 07310 |
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | | Pittsburgh | PA | 15259 |
| Broadridge | Reorganization Department | 51 Mercedes Way | | | Edgewood | NY | 11717 |
| Charles Schwab & Co Inc | Nancy Brim | 2423 E Lincoln Dr | PHX PEAK 02 K130 | | Phoenix | AZ | 85016 |
| Citibank NA | Sandra Hernandez | 3800 Citibank Center B3 12 | | | Tampa | FL | 33610 |
| Citigroup Global Markets Inc | Patricia Haller | 111 Wall St | 6th Fl | | New York | NY | 10005 |
| Clearview Correspondent Services LLC | Linda Miller | 8006 Discovery Dr | | | Richmond | VA | 23229 |
| Credit Suisse Securities USA LLC | Adam Miranda | 1 Madison Ave | 2nd Fl | | New York | NY | 10010 |
| Crews & Associates Inc | Don Winton | 521 President Ave | Ste 800 | | Little Rock | AR | 72201 |
| Custodial Trust Co | Adriana Laramore | 14201 Dallas Pkwy | | | Dallas | TX | 75254 |
| Deutsche Bank Securities Inc | Kate Yasinskaya | Harborside Financial Center | 100 Plz One 2nd Fl | Corporate Act | Jersey City | NJ | 07311-0000 |
| Edward D Jones & Co | Nick Hummell | 12555 Manchester Rd | CADD Dept | | St Louis | MO | 63131 |
| ETrade Clearing LLC | Mandatory & Voluntary Reorg Teams | 1981 Marcus Ave | Ste 100 | | Lake Success | NY | 11042 |
| Fifth Third Bank | Lance Wells | 38 Fountain Square Plaza | Mail Drop 1090F1 | | Cincinnati | OH | 45263 |
| First Clearing LLC | Actions Corporate | 10700 Wheat First Dr | WS 1023 | | Glen Allen | VA | 23060 |
| First Southwest Co | Misty Thacker | 325 N St Paul | Ste 800 | | Dallas | TX | 75201 |
| Goldman Sachs & Co | Reorg Dept | 30 Hudson St | | | Jersey City | NJ | 07302-4699 |
| J P Morgan Clearing Corp | Christian Garcia | 14201 North Dallas Pkwy | 12th Fl | | Dallas | TX | 75254 |
| Janney Montgomery Scott LLC | Tim Dwyer | 1717 Arch St | Dividend/Reorg Dept 16th Fl | | Philadelphia | PA | 19103 |
| JP Morgan Chase Funding Inc. | John Halloran | 500 Stanton Christiana Road | DE3 4680 | | Newark | DE | 19713 |
| JP Morgan Securities Inc Fixed | Jack Dickson | 14201 North Dallas Tollway | 12 th Fl | | Dalls | TX | 75254 |
| JPMorgan Chase Bank NA | Reorg Dept | 14201 Dallas Parkway | | | Dallas | TX | 75254 |
| Legent Clearing | Bridget Geiger | 9300 Underwood Ave | Ste 400 | | Omaha | NE | 68114 |
| LPL Financial Corporation | Martha Strahan | 4828 Parkway Plaza Blvd | Attn Corporate Actions | | Charlotte | NC | 28217 |
| M&I Marshall & Ilsley Bank | Reorg Dept | 11270 West Park Place | Ste 400 | | Milwaukee | WI | 53224 |
| Mediant Communications | Stephanie Fitzhenry | 109 North 5th St | | | Saddle Brook | NJ | 07663 |
| Merrill Lynch Pierce Fenner & Smith | Corp Actions Notifications Jax | Corporate Action Dept | 4804 Deer Lake Drive East | 4th Fl Bldg 3 | Jacksonville | FL | 32246 |
| Morgan Stanley & Co Inc | Michelle Ford | 1300 Thames Street | 7th Floor | | Baltimore | MD | 21231 |
| Morgan Stanley Smith Barney | Suzanne Mundle | Harborside Financial Center | 230 Plaza Three 6th Fl | | Jersey City | NJ | 07311 |
| National Financial Services | Lou Trezza | 200 Liberty St | | | New York | NY | 10281 |
| Northern Trust Co | Stella Castaneda | 801 S Canal St | Attn Capital Structures C1N | | Chicago | IL | 60607 |
| Oppenheimer & Co Inc | Attn Reorg Dept | 125 Broad St | 15th Fl | | New York | NY | 10004 |
| Optionsxpress Inc | Richard Trinh | 311 W Monroe St | Ste 1000 | | Chicago | IL | 60606 |
| Pershing LLC Securities Corporation | Helen Bialer | 1 Pershing Plaza | | | Jersey City | NJ | 07399-0000 |
| PNC Bank NA | Eileen Blake | 8800 Tincum Blvd | MS F6 F266 02 2 | | Philadelphia | PA | 19153 |
| Raymond James & Associates Inc | Tracey Goodwin | 880 Carillion Pkwy | | | St Petersburg | FL | 33733 |
| RBC Capital Markets Corporation | Steve Schafer Jr | 60 S 6th Street - P09 | | | Minneapolis | MN | 55402-4400 |
| Regions Bank | Reorg Dept | 250 Riverchase Pkwy East | | | Birmingham | AL | 35244 |
| Reliance Trust Co | Aaron Spivey | 3300 Northeast Expressway Bldg 1 | | | Atlanta | GA | 30341 |
| Ridge Clearing & Outsourcing Solutions | Mandatory & Voluntary Reorg Team | 2 Journal Square Plaza | 5th Fl | | Jersey City | NJ | 07306-0000 |
| Sanford C Bernstein & Co LLC | Carmine Carrella | One North Lexington Ave | | | White Plains | NY | 10601 |
| Scottrade Inc | Deborah Wynn | 12855 Flushing Meadows Dr | | | St Louis | MO | 63131 |
| SEI Private Trust Co | Jeff Hess | One Freedom Valley Drive | | | Oaks | PA | 19456 |
| Southwest Securities Inc | Christina Finzen | 1201 Elm St | Ste 3700 | | Dallas | TX | 75270 |
| SSB Trust Custody | Ed Chaney | 1200 Crown Colony Dr | | | Quincy | MA | 02169-0000 |
| State Street Bank and Trust Co | Sandra Polizio | Corp Actions JAB5E | 1776 Heritage Dr | | North Quincy | MA | 02171-0000 |

Exhibit E

| Name | NoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|--|---------------------|------------------------|-----------------------|----------|-------------|-------|------------|
| Stephens Inc | Linda Thompson | 111 Center St | 4th Fl | | Little Rock | AR | 72201 |
| Sterne Agee & Leach Inc | Reorg Dept | Two Perimeter Park S | Ste 100W | | Birmingham | AL | 35243 |
| Stifel Nicolaus & Co Inc | Chris Wiegand | 501 N Broadway | 7th Fl | | St. Louis | MO | 63102 |
| Stockcross Financial Services, Inc | Eleanor Pimentel | 77 Summer St | 3rd Fl | | Boston | MA | 02210-0000 |
| TD Ameritrade Clearing Inc | Mandi Foster | 1005 Ameritrade Pl | | | Bellevue | NE | 68005 |
| The Bank of New York Mellon | Beth Stiffler | 525 William Penn Pl | Rm 300 | | Pittsburgh | PA | 15259 |
| The Bank of New York Mellon/DBTC AME | Michael Kania | 525 William Penn Pl | Rm 300 | | Pittsburgh | PA | 15259 |
| The Bank of New York Mellon/FMSBONDS | Richard Mitterando | 16 Wall Street | 5th Floor | | New York | NY | 10005 |
| The Depository Trust Co | Swabera Mohamed | 570 Washington Blvd | | | Jersey City | NJ | 07310 |
| UBS Financial Services LLC | Salvatore Schiavone | 1200 Harbor Blvd | | | Weehawken | NJ | 07086-0000 |
| UBS Securities LLC | Gregory Contaldi | 480 Washington Blvd | | | Jersey City | NJ | 07310-0000 |
| US Bank NA | Michelle Bruss | MK WI S302 | 1555 N Rivercenter Dr | | Milwaukee | WI | 53212 |
| USAA Investment Management Co | Robert Baker | 9800 Fredericksburg Rd | | | San Antonio | TX | 78288 |
| Vanguard Marketing Corporation | James J Ahern | 100 Vanguard Blvd | | | Malvern | PA | 19355 |
| Wedbush Morgan Securities Inc | Hermon Alem | 1000 Wilshire Blvd | | | Los Angeles | CA | 90017 |
| Wells Fargo Bank NA/Sig | Robert Matera | 1525 W WT Harris Blvd | Corp Actions NC0675 | | Charlotte | NC | 28262 |
| Wells Fargo Bank, National Association | Kevin St. Louis | 733 Marquette Ave | MAC N9306 057 5th Fl | | Minneapolis | MN | 55402 |
| Wells Fargo Securities, LLC | Steve Turner | 1525 W WT Harris Blvd | Corp Actions NC0675 | | Charlotte | NC | 28262 |
| William Blair & Co LLC | Mariusz Niedbalec | 222 West Adams St | | | Chicago | IL | 60606 |

Exhibit F

Exhibit F

| Name | NoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|--------------------------------------|------------------------------------|-----------------------------|-------------------|----------|------------|-------|-------|
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | | Pittsburgh | PA | 15259 |
| JPMorgan Chase Bank Municipal Dealer | John Halloran | 500 Stanton Christiana Rd | Corporate Actions | 3rd Fl | Newark | DE | 19713 |
| THE BANK OF NEW YORK MELLON | ATTN INSURANCE TRUST & ESCROW UNIT | 101 BARCLAY STREET 8W | | | NEW YORK | NY | 10286 |
| XL CAPITAL ASSURANCE INC | | 1221 AVENUE OF THE AMERICAS | | | NEW YORK | NY | 10020 |

Exhibit G

Exhibit G

| Name | NoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|--------------------------------------|---------------|---------------------------|-------------------|----------|------------|-------|-------|
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | | Pittsburgh | PA | 15259 |
| JPMorgan Chase Bank Municipal Dealer | John Halloran | 500 Stanton Christiana Rd | Corporate Actions | 3rd Fl | Newark | DE | 19713 |

In re: Jefferson County, Alabama, a political subdivision of the State of Alabama

Case No. 11-05736-TBB

Page 1 of 1

Exhibit H

*****STOP*****

Please read before completing and returning this Ballot

You are receiving this Ballot directly because you are a “Designated Sewer Plan Support Party” that is entitled to receive and return a Ballot directly pursuant to the Sewer Plan Support Ballot Procedures that were approved in that certain *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.

Notwithstanding anything to the contrary stated anywhere in this Ballot, you should not return this Ballot to any Institutional Nominee. Rather, once completed, you are permitted to and should return this Ballot directly to the Ballot Tabulator at the following address:

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

Once again, please ignore and do not follow any directions contained on the Ballot stating that your completed Ballot should be returned in any fashion other than directly to the above address.

Exhibit I

Exhibit I

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|--|---|---------------------|--------------------------------------|----------|-------|-------|
| Barclays Bank PLC | Steve Stancarone | 745 7th Avenue | 16 Floor | New York | NY | 10019 |
| Brigade Capital Management, LLC | Attn: Hilda Chan | 399 Park Avenue | 16th Floor | New York | NY | 10022 |
| Claren Road Asset Management, LLC | Attn: Albert Marino | 900 Third Avenue | | New York | NY | 10022 |
| Emerald Eagle Holdings South, L.L.C. | c/o Kramer Levin Naftalis & Frankel LLP | Attn: Alice Byowitz | 1177 Avenue of the Americas | New York | NY | 10036 |
| Emerald Eagle Holdings, L.L.C. | c/o Kramer Levin Naftalis & Frankel LLP | Attn: Alice Byowitz | 1177 Avenue of the Americas | New York | NY | 10036 |
| Financial Guaranty Insurance Company (FGIC) | Attn: Tim Travers | 125 Park Avenue | | New York | NY | 10017 |
| JPMorgan Chase Bank, N.A. | Attn: William A. Austin | 383 Madison Avenue | | New York | NY | 10179 |
| Monarch Alternative Capital LP | Attn: Michael Gillin | 535 Madison Avenue | 26th Floor | New York | NY | 10022 |
| Red Mountain Holdings LLC | Attn: Michael Gillin | 535 Madison Avenue | 26th Floor | New York | NY | 10022 |
| Stone Lion Capital Partners L.P. | Attn: Zachary Nuzzi / Claudia Borg | 555 Fifth Avenue | 18th Floor | New York | NY | 10017 |
| The Bank of New York Mellon | Attn: Edward J. DeSalvio | One Wall Street | Asset Recovery Division - 16th Floor | New York | NY | 10286 |
| The Bank of Nova Scotia Acting Through Its New York Agency | Attn: Steven Kerr | One Liberty Plaza | | New York | NY | 10006 |

Exhibit J

Exhibit J

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|---------------------------------|-----------------------------------|---------------------------|-------------|--------------|-------|-------|
| Glendon Capital Management L.P. | Attn: Tom Kallberg/Brian Lanktree | 1620 26th Street | Suite 2000N | Santa Monica | CA | 90404 |
| State Street Corporation | Attn: Timothy L. Batler | One Lincoln Street - SFC5 | | Boston | MA | 02111 |

Exhibit K

Exhibit K

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|-----------------------------|---------------------|---------------------|------------|--------------|-------|-------|
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| Broadridge | Receiving Dept | 51 Mercedes Way | Job Y09360 | Edgewood | NY | 11717 |
| Mediant Communications | Stephanie Fitzhenry | 109 N 5th St | | Saddle Brook | NJ | 07663 |
| The Bank of New York Mellon | Beth Stiffler | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| The Depository Trust Co | Swabera Mohamed | 570 Washington Blvd | | Jersey City | NJ | 07310 |

Exhibit L

Exhibit L

| Series | CUSIP |
|--------|-----------|
| 2004-A | 472653AH7 |
| 2004-A | 472653AJ3 |
| 2004-A | 472653AK0 |
| 2004-A | 472653AL8 |
| 2004-A | 472653AM6 |
| 2004-A | 472653BP8 |
| 2004-A | 472653AN4 |
| 2004-A | 472653BS2 |
| 2004-A | 472653AP9 |
| 2004-A | 472653BL7 |
| 2004-A | 472653AQ7 |
| 2004-A | 472653BG8 |
| 2004-A | 472653AR5 |
| 2004-A | 472653BM5 |
| 2004-A | 472653AS3 |
| 2004-A | 472653BN3 |
| 2004-A | 472653AT1 |
| 2004-A | 472653BR4 |
| 2004-A | 472653AU8 |
| 2004-A | 472653BF0 |
| 2004-A | 472653BH6 |

Exhibit M

Exhibit M

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|--|--------------------------------|-------------------------------|-----------------------------|---------------|-------|------------|
| Ameriprise | Mike Kohler | 2178 Ameriprise Financial Ctr | | Minneapolis | MN | 55474 |
| Baird Robert W & Co Incorporated | Dean Markofski | 777 E Wisconsin Ave | | Milwaukee | WI | 53202 |
| Barclays Bank Inc LE | Giovanna Laurella | 70 Hudson St | 7th Fl | Jersey City | NJ | 07302-0000 |
| Brown Brothers Harriman & Co | Corporate Actions | 525 Washington Blvd | New Port Towers | Jersey City | NJ | 07302-0000 |
| Charles Schwab & Co Inc | Nancy Brim | 2423 E Lincoln Dr | PHX PEAK 02 K130 | Phoenix | AZ | 85016 |
| Citibank NA | Sandra Hernandez | 3800 Citibank Ctr B3 12 | | Tampa | FL | 33610 |
| Citibank/The Citigroup Private Bank | Stephanie Luckey | 388 Greenwich St | 11th Fl | New York | NY | 10013 |
| Clearview Correspondent Services LLC | Linda Miller | 8006 Discovery Dr | | Richmond | VA | 23229 |
| Compass Bank | Mark Warren | 15 S 20th St | Ste 703 | Birmingham | AL | 35233 |
| Crews & Associates Inc | Don Winton | 521 President Ave | Ste 800 | Little Rock | AR | 72201 |
| D A Davidson & Co | Kris Sapp | PO Box 5015 | | Great Falls | MT | 59403 |
| Edward D Jones & Co | Nick Hummell | 12555 Manchester Rd | CADD Dept | St Louis | MO | 63131 |
| ETrade Clearing LLC | Matt Freifeld | 1981 Marcus Ave | Ste 100 | Lake Success | NY | 11042 |
| Fiduciary SSB | Kelly Eagan | 1776 Heritage Dr | | North Quincy | MA | 02171 |
| First Clearing LLC | Finessa Rosson | One North Jefferson | | St Louis | MO | 63103 |
| First Southwest Co | Misty Thacker | 325 N St Paul | Ste 800 | Dallas | TX | 75201 |
| Goldman Sachs & Co | Gloria Lio | 30 Hudson St | | Jersey City | NJ | 07302-4699 |
| J P Morgan Clearing Corp | Proxy Dept Manager | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| Janney Montgomery Scott LLC | Michael Tse | 1717 Arch St | Dividend/Reorg Dept 16th Fl | Philadelphia | PA | 19103 |
| JJB Hilliard WL Lyons Inc | Richard Gelles | 500 W Jackson St | Ste 700 | Louisville | KY | 40202 |
| JPMorgan Chase Bank NA | Reorg Dept | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| Legent Clearing | Stephanie Fitzhenry | 109 N 5th St | | Saddle Brook | NJ | 07663-0000 |
| LPL Financial Corporation | Martha Strahan | 4828 Parkway Plaza Blvd | Attn Corporate Actions | Charlotte | NC | 28217 |
| M&I Marshall & Ilsley Bank | Reorg Dept | 11270 W Park Pl | Ste 400 | Milwaukee | WI | 53224 |
| Merrill Lynch Pierce Fenner & Smith | Corp Actions Notifications Jax | 4804 Deer Lake Drive E | 4th Fl Bldg 3 | Jacksonville | FL | 32246 |
| Morgan Stanley Smith Barney | Suzanne Mundle | Harborside Financial Ctr | 230 Plaza Three 6th Fl | Jersey City | NJ | 07311 |
| National Financial Services | Lou Trezza | 200 Liberty St | | New York | NY | 10281 |
| Northern Trust Co | Stella Castaneda | 801 S Canal St | Attn Capital Structures C1N | Chicago | IL | 60607 |
| Oppenheimer & Co Inc | Oscar Mazario | 125 Broad St | 15th Fl | New York | NY | 10004 |
| Optionsxpress Inc | Richard Trinh | 311 W Monroe St | Ste 1000 | Chicago | IL | 60606 |
| Pershing LLC Securities Corporation | Al Hernandez | 1 Pershing Plz | | Jersey City | NJ | 07399-0000 |
| PNC Bank NA | Eileen Blake | 8800 Tincum Blvd | MS F6 F266 02 2 | Philadelphia | PA | 19153 |
| Primevest Financial Services Inc | Angela Handeland | 400 1st St S | Ste 300 | St Cloud | MN | 56301 |
| Raymond James & Associates Inc | Mike Dillard | 880 Carillion Pkwy | PO Box 12749 | St Petersburg | FL | 33716 |
| RBC Capital Markets Corporation | Steve Schafer Jr | 60 S 6th St - P09 | | Minneapolis | MN | 55402-4400 |
| RBC Dominion Securities Inc | Peter Drumm | 200 Bay St Royal Bk Pl | North Tower 6th Fl | Toronto | ON | M5J 2J5 |
| Regions Bank | Reorg Dept | 250 Riverchase Pkwy E | | Birmingham | AL | 35244 |
| Ridge Clearing & Outsourcing Solutions | Matt Freifeld | 1981 Marcus Ave | Ste 100 | Lake Success | NY | 11042 |
| Sanford C Bernstein & Co LLC | Carmine Carrella | One North Lexington Ave | | White Plains | NY | 10601 |
| Scottrade Inc | Terri Losche | 12855 Flushing Meadows Dr | | St Louis | MO | 63131 |
| SEI Private Trust Co | Jeff Hess | One Freedom Valley Dr | | Oaks | PA | 19456 |
| Southwest Securities Inc | Christina Finzen | 1201 Elm St | Ste 3700 | Dallas | TX | 75270 |
| SSB SPDRs | Joseph J Callahan | Global Corp Action Dept JAB5W | PO Box 1631 | Boston | MA | 02105-1631 |
| SSB Trust Custody | Ed Chaney | 1200 Crown Colony Dr | | Quincy | MA | 02169-0000 |
| State Street Bank and Trust Co | Sandra Polizio | Corp Actions JAB5E | 1776 Heritage Dr | North Quincy | MA | 02171-0000 |
| Sterne Agee & Leach Inc | Carrie Kelly | Two Perimeter Park S | Ste 100W | Birmingham | AL | 35243 |
| Stifel Nicolaus & Co Inc | Chris Wiegand | 501 N Broadway | 7th Fl | St Louis | MO | 63102 |
| Stockcross Financial Services Inc | Eleanor Pimentel | 77 Summer St | 3rd Fl | Boston | MA | 02210-0000 |

Exhibit M

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|---------------------------------------|---------------------|------------------------|-----------------------|-------------|-------|------------|
| TD Ameritrade Clearing Inc | Mandi Foster | 1005 Ameritrade Pl | | Bellevue | NE | 68005 |
| The Bank of New York Mellon/FMSBONDS | Richard Mitterando | 16 Wall St | 5th Fl | New York | NY | 10005 |
| UBS Financial Services LLC | Jane Flood | 1200 Harbor Blvd | | Weehawken | NJ | 07086-0000 |
| US Bancorp Investments Inc | Christine Gregorich | 60 Livingston Ave | EP MN WN2H | St Paul | MN | 55107-1419 |
| US Bank NA | Tim Randall | MK WI S302 | 1555 N Rivercenter Dr | Milwaukee | WI | 53212 |
| USAA Investment Management Co | Joyce Wilson | 9800 Fredericksburg Rd | | San Antonio | TX | 78288 |
| Vanguard Marketing Corporation | Kevin Scully | 100 Vanguard Blvd | | Malvern | PA | 19355 |
| Wells Fargo Bank National Association | Kevin St Louis | 733 Marquette Ave | MAC N9306 057 5th Fl | Minneapolis | MN | 55402 |

Exhibit N

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|--|--------------------------------|-------------------------------|-----------------------------|---------------|-------|------------|
| Ameriprise | Mike Kohler | 2178 Ameriprise Financial Ctr | | Minneapolis | MN | 55474 |
| Baird Robert W & Co Incorporated | Dean Markofski | 777 E Wisconsin Ave | | Milwaukee | WI | 53202 |
| Barclays Bank Inc LE | Giovanna Laurella | 70 Hudson St | 7th Fl | Jersey City | NJ | 07302-0000 |
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| Broadridge | Receiving Dept | 51 Mercedes Way | | Edgewood | NY | 11717 |
| Brown Brothers Harriman & Co | Corporate Actions | 525 Washington Blvd | New Port Towers | Jersey City | NJ | 07302-0000 |
| Charles Schwab & Co Inc | Nancy Brim | 2423 E Lincoln Dr | PHX PEAK 02 K130 | Phoenix | AZ | 85016 |
| Citibank NA | Sandra Hernandez | 3800 Citibank Ctr B3 12 | | Tampa | FL | 33610 |
| Citibank/The Citigroup Private Bank | Stephanie Luckey | 388 Greenwich St | 11th Fl | New York | NY | 10013 |
| Clearview Correspondent Services LLC | Linda Miller | 8006 Discovery Dr | | Richmond | VA | 23229 |
| Compass Bank | Mark Warren | 15 S 20th St | Ste 703 | Birmingham | AL | 35233 |
| Crews & Associates Inc | Don Winton | 521 President Ave | Ste 800 | Little Rock | AR | 72201 |
| D A Davidson & Co | Kris Sapp | PO Box 5015 | | Great Falls | MT | 59403 |
| Edward D Jones & Co | Nick Hummell | 12555 Manchester Rd | CADD Dept | St Louis | MO | 63131 |
| ETrade Clearing LLC | Matt Freifeld | 1981 Marcus Ave | Ste 100 | Lake Success | NY | 11042 |
| Fiduciary SSB | Kelly Eagan | 1776 Heritage Dr | | North Quincy | MA | 02171 |
| First Clearing LLC | Finessa Rosson | One North Jefferson | | St Louis | MO | 63103 |
| First Southwest Co | Misty Thacker | 325 N St Paul | Ste 800 | Dallas | TX | 75201 |
| Goldman Sachs & Co | Gloria Lio | 30 Hudson St | | Jersey City | NJ | 07302-4699 |
| J P Morgan Clearing Corp | Proxy Dept Manager | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| Janney Montgomery Scott LLC | Michael Tse | 1717 Arch St | Dividend/Reorg Dept 16th Fl | Philadelphia | PA | 19103 |
| JJB Hilliard WL Lyons Inc | Richard Gelles | 500 W Jackson St | Ste 700 | Louisville | KY | 40202 |
| JPMorgan Chase Bank NA | Reorg Dept | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| Legent Clearing | Stephanie Fitzhenry | 109 N 5th St | | Saddle Brook | NJ | 07663-0000 |
| LPL Financial Corporation | Martha Strahan | 4828 Parkway Plaza Blvd | Attn Corporate Actions | Charlotte | NC | 28217 |
| M&I Marshall & Ilsley Bank | Reorg Dept | 11270 W Park Pl | Ste 400 | Milwaukee | WI | 53224 |
| Mediant Communications | Stephanie Fitzhenry | 109 N 5th St | | Saddle Brook | NJ | 07663 |
| Merrill Lynch Pierce Fenner & Smith | Corp Actions Notifications Jax | 4804 Deer Lake Drive E | 4th Fl Bldg 3 | Jacksonville | FL | 32246 |
| Morgan Stanley Smith Barney | Suzanne Mundle | Harborside Financial Ctr | 230 Plaza Three 6th Fl | Jersey City | NJ | 07311 |
| National Financial Services | Lou Trezza | 200 Liberty St | | New York | NY | 10281 |
| Northern Trust Co | Stella Castaneda | 801 S Canal St | Attn Capital Structures C1N | Chicago | IL | 60607 |
| Oppenheimer & Co Inc | Oscar Mazario | 125 Broad St | 15th Fl | New York | NY | 10004 |
| Optionsxpress Inc | Richard Trinh | 311 W Monroe St | Ste 1000 | Chicago | IL | 60606 |
| Pershing LLC Securities Corporation | Al Hernandez | 1 Pershing Plz | | Jersey City | NJ | 07399-0000 |
| PNC Bank NA | Eileen Blake | 8800 Tinicum Blvd | MS F6 F266 02 2 | Philadelphia | PA | 19153 |
| Primevest Financial Services Inc | Angela Handeland | 400 1st St S | Ste 300 | St Cloud | MN | 56301 |
| Raymond James & Associates Inc | Mike Dillard | 880 Carillion Pkwy | PO Box 12749 | St Petersburg | FL | 33716 |
| RBC Capital Markets Corporation | Steve Schafer Jr | 60 S 6th St - P09 | | Minneapolis | MN | 55402-4400 |
| RBC Dominion Securities Inc | Peter Drumm | 200 Bay St Royal Bk Pl | North Tower 6th Fl | Toronto | ON | M5J 2J5 |
| Regions Bank | Reorg Dept | 250 Riverchase Pkwy E | | Birmingham | AL | 35244 |
| Ridge Clearing & Outsourcing Solutions | Matt Freifeld | 1981 Marcus Ave | Ste 100 | Lake Success | NY | 11042 |
| Sanford C Bernstein & Co LLC | Carmine Carrella | One North Lexington Ave | | White Plains | NY | 10601 |
| Scottrade Inc | Terri Losche | 12855 Flushing Meadows Dr | | St Louis | MO | 63131 |
| SEI Private Trust Co | Jeff Hess | One Freedom Valley Dr | | Oaks | PA | 19456 |
| Southwest Securities Inc | Christina Finzen | 1201 Elm St | Ste 3700 | Dallas | TX | 75270 |
| SSB SPDRs | Joseph J Callahan | Global Corp Action Dept JAB5W | PO Box 1631 | Boston | MA | 02105-1631 |
| SSB Trust Custody | Ed Chaney | 1200 Crown Colony Dr | | Quincy | MA | 02169-0000 |
| State Street Bank and Trust Co | Sandra Polizio | Corp Actions JAB5E | 1776 Heritage Dr | North Quincy | MA | 02171-0000 |

Exhibit N

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|---------------------------------------|---------------------|------------------------|-----------------------|-------------|-------|------------|
| Sterne Agee & Leach Inc | Carrie Kelly | Two Perimeter Park S | Ste 100W | Birmingham | AL | 35243 |
| Stifel Nicolaus & Co Inc | Chris Wiegand | 501 N Broadway | 7th Fl | St Louis | MO | 63102 |
| Stockcross Financial Services Inc | Eleanor Pimentel | 77 Summer St | 3rd Fl | Boston | MA | 02210-0000 |
| TD Ameritrade Clearing Inc | Mandi Foster | 1005 Ameritrade Pl | | Bellevue | NE | 68005 |
| The Bank of New York Mellon | Beth Stiffler | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| The Bank of New York Mellon/FMSBONDS | Richard Mitterando | 16 Wall St | 5th Fl | New York | NY | 10005 |
| The Depository Trust Co | Swabera Mohamed | 570 Washington Blvd | | Jersey City | NJ | 07310 |
| UBS Financial Services LLC | Jane Flood | 1200 Harbor Blvd | | Weehawken | NJ | 07086-0000 |
| US Bancorp Investments Inc | Christine Gregorich | 60 Livingston Ave | EP MN WN2H | St Paul | MN | 55107-1419 |
| US Bank NA | Tim Randall | MK WI S302 | 1555 N Rivercenter Dr | Milwaukee | WI | 53212 |
| USAA Investment Management Co | Joyce Wilson | 9800 Fredericksburg Rd | | San Antonio | TX | 78288 |
| Vanguard Marketing Corporation | Kevin Scully | 100 Vanguard Blvd | | Malvern | PA | 19355 |
| Wells Fargo Bank National Association | Kevin St Louis | 733 Marquette Ave | MAC N9306 057 5th Fl | Minneapolis | MN | 55402 |

Exhibit O

Exhibit O

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|-----------------------------|-----------------|---------------------|----------|-------------|-------|-------|
| Broadridge | Receiving Dept | 51 Mercedes Way | | Edgewood | NY | 11717 |
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| The Bank of New York Mellon | Beth Stiffler | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| The Depository Trust Co | Swabera Mohamed | 570 Washington Blvd | | Jersey City | NJ | 07310 |

Exhibit P

Exhibit P

| Series | CUSIP |
|--------|-----------|
| 2005-A | 472653BA1 |
| 2005-A | 472653BB9 |
| 2005-A | 472653BC7 |
| 2005-A | 472653BD5 |

Exhibit Q

Exhibit Q

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|--------------------------------------|--------------------------------|--------------------------|----------------------|----------------|-------|------------|
| Bank of America National Association | Carla V Brooks | 411 N Akard 5th Fl | | Dallas | TX | 75201 |
| Caldwell Trust Co | Edrise Sievers | 201 Center Rd | Ste 2 | Venice | FL | 34292 |
| Charles Schwab & Co Inc | Nancy Brim | 2423 E Lincoln Dr | PHX PEAK 02 K130 | Phoenix | AZ | 85016 |
| Fiduciary SSB | Kelly Eagan | 1776 Heritage Dr | | North Quincy | MA | 02171 |
| First Southwest Co | Misty Thacker | 325 N St Paul | Ste 800 | Dallas | TX | 75201 |
| Goldman Sachs & Co | Gloria Lio | 30 Hudson St | | Jersey City | NJ | 07302-4699 |
| J P Morgan Clearing Corp | Proxy Dept Manager | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| JP Morgan Securities Inc Fixed | Jack Dickson | 14201 N Dallas Tollway | 12 th Fl | Dallas | TX | 75254 |
| JPMorgan Chase Bank NA | Reorg Dept | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| M&I Marshall & Ilsley Bank | Reorg Dept | 11270 W Park Pl | Ste 400 | Milwaukee | WI | 53224 |
| Merrill Lynch Pierce Fenner & Smith | Corp Actions Notifications Jax | 4804 Deer Lake Dr E | 4th Fl Bldg 3 | Jacksonville | FL | 32246 |
| Morgan Stanley Smith Barney | Suzanne Mundle | Harborside Financial Ctr | 230 Plz Three 6th Fl | Jersey City | NJ | 07311 |
| National Financial Services | Lou Trezza | 200 Liberty St | | New York | NY | 10281 |
| Pershing LLC Securities Corporation | Al Hernandez | 1 Pershing Plz | | Jersey City | NJ | 07399-0000 |
| Raymond James & Associates Inc | Mike Dillard | 880 Carillion Pkwy | PO Box 12749 | St. Petersburg | FL | 33716 |
| RBC Capital Markets Corporation | Steve Schafer Jr | 60 S 6th St - P09 | | Minneapolis | MN | 55402-4400 |
| SEI Private Trust Co | Jeff Hess | One Freedom Valley Dr | | Oaks | PA | 19456 |
| UBS Financial Services LLC | Jane Flood | 1200 Harbor Blvd | | Weehawken | NJ | 07086-0000 |
| USAA Investment Management Co | Joyce Wilson | 9800 Fredericksburg Rd | | San Antonio | TX | 78288 |

Exhibit R

Exhibit R

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|--------------------------------------|--------------------------------|--------------------------|----------------------|----------------|-------|------------|
| Bank of America National Association | Carla V Brooks | 411 N Akard 5th Fl | | Dallas | TX | 75201 |
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| Broadridge | Receiving Dept | 51 Mercedes Way | | Edgewood | NY | 11717 |
| Caldwell Trust Co | Edrise Sievers | 201 Center Rd | Ste 2 | Venice | FL | 34292 |
| Charles Schwab & Co Inc | Nancy Brim | 2423 E Lincoln Dr | PHX PEAK 02 K130 | Phoenix | AZ | 85016 |
| Fiduciary SSB | Kelly Eagan | 1776 Heritage Dr | | North Quincy | MA | 02171 |
| First Southwest Co | Misty Thacker | 325 N St Paul | Ste 800 | Dallas | TX | 75201 |
| Goldman Sachs & Co | Gloria Lio | 30 Hudson St | | Jersey City | NJ | 07302-4699 |
| J P Morgan Clearing Corp | Proxy Dept Manager | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| JP Morgan Securities Inc Fixed | Jack Dickson | 14201 N Dallas Tollway | 12 th Fl | Dallas | TX | 75254 |
| JPMorgan Chase Bank NA | Reorg Dept | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| M&I Marshall & Ilsley Bank | Reorg Dept | 11270 W Park Pl | Ste 400 | Milwaukee | WI | 53224 |
| Merrill Lynch Pierce Fenner & Smith | Corp Actions Notifications Jax | 4804 Deer Lake Dr E | 4th Fl Bldg 3 | Jacksonville | FL | 32246 |
| Morgan Stanley Smith Barney | Suzanne Mundle | Harborside Financial Ctr | 230 Plz Three 6th Fl | Jersey City | NJ | 07311 |
| National Financial Services | Lou Trezza | 200 Liberty St | | New York | NY | 10281 |
| Pershing LLC Securities Corporation | Al Hernandez | 1 Pershing Plz | | Jersey City | NJ | 07399-0000 |
| Raymond James & Associates Inc | Mike Dillard | 880 Carillion Pkwy | PO Box 12749 | St. Petersburg | FL | 33716 |
| RBC Capital Markets Corporation | Steve Schafer Jr | 60 S 6th St - P09 | | Minneapolis | MN | 55402-4400 |
| SEI Private Trust Co | Jeff Hess | One Freedom Valley Dr | | Oaks | PA | 19456 |
| The Bank of New York Mellon | Beth Stiffler | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| The Depository Trust Co | Swabera Mohamed | 570 Washington Blvd | | Jersey City | NJ | 07310 |
| UBS Financial Services LLC | Jane Flood | 1200 Harbor Blvd | | Weehawken | NJ | 07086-0000 |
| USAA Investment Management Co | Joyce Wilson | 9800 Fredericksburg Rd | | San Antonio | TX | 78288 |

Exhibit S

Exhibit S

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|-----------------------------|-----------------|---------------------|----------|-------------|-------|-------|
| Broadridge | Receiving Dept | 51 Mercedes Way | | Edgewood | NY | 11717 |
| The Bank of New York Mellon | Beth Stiffler | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| The Depository Trust Co | Swabera Mohamed | 570 Washington Blvd | | Jersey City | NJ | 07310 |

Exhibit T

Exhibit T

| Series | CUSIP |
|--------|-----------|
| 2005-B | 472653BT0 |

Exhibit U

Exhibit U

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|--------------------------------------|---------------------|---------------------------|---------------|--------------|-------|------------|
| Broadridge | Receiving Dept | 51 Mercedes Way | Y09359 | Edgewood | NY | 11717 |
| JPMorgan Chase Bank NA | Reorg Dept | 14201 Dallas Parkway | | Dallas | TX | 75254 |
| JPMorgan Chase Bank/Municipal Dealer | John Halloran | 500 Stanton Christiana Rd | OPS 4 Floor 3 | Newark | DE | 19713-2107 |
| Mediant Communications | Stephanie Fitzhenry | 109 North 5th St | | Saddle Brook | NJ | 07663 |
| The Depository Trust Co | Swabera Mohamed | 570 Washington Blvd | | Jersey City | NJ | 07310 |

Exhibit V

Exhibit V

| Series | CUSIP |
|--------|-----------|
| 2001-B | 472628NS1 |
| 2001-B | 472628QE9 |

Exhibit W

Exhibit W

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|-----------------------------|---------------------|---------------------|----------|--------------|-------|-------|
| Broadridge | Receiving Dept | 51 Mercedes Way | | Edgewood | NY | 11717 |
| Mediant Communications | Stephanie Fitzhenry | 109 N 5th St | | Saddle Brook | NJ | 07663 |
| The Bank of New York Mellon | Beth Stiffler | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| The Depository Trust Co | Swabera Mohamed | 570 Washington Blvd | | Jersey City | NJ | 07310 |

In re: Jefferson County, Alabama, a political subdivision of the State of Alabama

Case No. 11-05736-TBB

Page 1 of 1

Exhibit X

Exhibit X

| Series | CUSIP |
|--------|-----------|
| 2003-A | 472628PH3 |
| 2003-A | 472628PJ9 |
| 2003-A | 472628PK6 |
| 2003-A | 472628PL4 |
| 2003-A | 472628PM2 |
| 2004-A | 472628PT7 |
| 2004-A | 472628PU4 |
| 2004-A | 472628PV2 |
| 2004-A | 472628PW0 |
| 2004-A | 472628PX8 |
| 2004-A | 472628PY6 |
| 2004-A | 472628PZ3 |
| 2004-A | 472628QA7 |
| 2004-A | 472628QB5 |
| 2004-A | 472628QC3 |
| 2004-A | 472628QD1 |
| 2000 | 472628ND4 |
| 2000 | 472628NE2 |

Exhibit Y

Exhibit Y

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|--|--------------------------------|--------------------------------|-----------------------------|---------------|-------|------------|
| Ameriprise | Mike Kohler | 2178 Ameriprise Financial Ctr | | Minneapolis | MN | 55474 |
| BNY Mellon | Enis Suljic | 525 William Penn Pl | Rm 300 | Pittsburgh | PA | 15259 |
| Charles Schwab & Co Inc | Nancy Brim | 2423 E Lincoln Dr | PHX PEAK 02 K130 | Phoenix | AZ | 85016 |
| Citibank NA | Sandra Hernandez | 3800 Citibank Center B3 12 | | Tampa | FL | 33610 |
| Citibank/The Citigroup Private Bank | Stephanie Luckey | 388 Greenwich St | 11th Fl | New York | NY | 10013 |
| Citigroup Global Markets Inc | Patricia Haller | 111 Wall St | 6th Fl | New York | NY | 10005 |
| Clearview Correspondent Services LLC | Linda Miller | 8006 Discovery Dr | | Richmond | VA | 23229 |
| Commerce Bank of Kansas City NA | Cindy Lawrence | 928 Walnut | Mail Stop TBTS-2 | Kansas City | MO | 64106 |
| Compass Bank | Mark Warren | 15 S 20th St | Ste 703 | Birmingham | AL | 35233 |
| Edward D Jones & Co | Nick Hummell | 12555 Manchester Rd | CADD Dept | St Louis | MO | 63131 |
| ETrade Clearing LLC | Matt Freifeld | 1981 Marcus Ave | Ste 100 | Lake Success | NY | 11042 |
| First Clearing LLC | Finessa Rosson | One North Jefferson | | St Louis | MO | 63103 |
| First Southwest Co | Misty Thacker | 325 N St Paul | Ste 800 | Dallas | TX | 75201 |
| J P Morgan Clearing Corp | Proxy Dept Manager | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| Janney Montgomery Scott LLC | Michael Tse | 1717 Arch St | Dividend/Reorg Dept 16th Fl | Philadelphia | PA | 19103 |
| JPMorgan Chase Bank NA | Reorg Dept | 14201 Dallas Pkwy | | Dallas | TX | 75254 |
| Legent Clearing | Stephanie Fitzhenry | 109 N 5th St | | Saddle Brook | NJ | 07663-0000 |
| LPL Financial Corporation | Martha Strahan | 4828 Parkway Plaza Blvd | Attn Corporate Actions | Charlotte | NC | 28217 |
| Merrill Lynch Pierce Fenner & Smith | Corp Actions Notifications Jax | 4804 Deer Lake Dr E | 4th Fl Bldg 3 | Jacksonville | FL | 32246 |
| Merrill Lynch Pierce Fenner & Smith | Corp Actions Notifications Jax | 4804 Deer Lake Dr E | 4th Fl Bldg 3 | Jacksonville | FL | 32246 |
| Morgan Stanley Smith Barney | Suzanne Mundle | Harborside Financial Ctr | 230 Plaza Three 6th Fl | Jersey City | NJ | 07311 |
| National Financial Services | Lou Trezza | 200 Liberty St | | New York | NY | 10281 |
| Northern Trust Co | Stella Castaneda | 801 S Canal St | Attn Capital Structures C1N | Chicago | IL | 60607 |
| Optionsxpress Inc | Richard Trinh | 311 W Monroe St | Ste 1000 | Chicago | IL | 60606 |
| Pershing LLC Securities Corporation | Al Hernandez | 1 Pershing Plz | | Jersey City | NJ | 07399-0000 |
| PNC Bank NA | Eileen Blake | 8800 Tincum Blvd | MS F6 F266 02 2 | Philadelphia | PA | 19153 |
| Primevest Financial Services Inc | Angela Handeland | 400 1st St S | Ste 300 | St Cloud | MN | 56301 |
| Raymond James & Associates Inc | Tracey Goodwin | 880 Carillion Pkwy | | St Petersburg | FL | 33733 |
| Raymond James & Associates Inc / Ray | Christine Pearson | PO Box 14407 | | St Petersburg | FL | 33733 |
| RBC Capital Markets Corporation | Tara Olmanson | 60 S 6th St - P09 | | Minneapolis | MN | 55402-4400 |
| Regions Bank | Reorg Dept | 250 Riverchase Pkwy E | | Birmingham | AL | 35244 |
| Ridge Clearing & Outsourcing Solutions | Matt Freifeld | 1981 Marcus Ave | Ste 100 | Lake Success | NY | 11042 |
| Scottrade Inc | Terri Losche | 12855 Flushing Meadows Dr | | St Louis | MO | 63131 |
| SEI Private Trust Co | Jeff Hess | One Freedom Valley Dr | | Oaks | PA | 19456 |
| SEI PV/GWP | Juan Portela | One Freedom Valley Dr | | Oaks | PA | 19456 |
| Southwest Securities Inc | Christina Finzen | 1201 Elm St | Ste 3700 | Dallas | TX | 75270 |
| SSB SPDRs | Joseph J Callahan | Global Corp Action Dept. JAB5W | PO Box 1631 | Boston | MA | 02105-1631 |
| State Street Bank and Trust Co | Sandra Polizio | Corp Actions JAB5E | 1776 Heritage Dr | North Quincy | MA | 02171-0000 |
| Stephens Inc | Linda Thompson | 111 Center St | 4th Fl | Little Rock | AR | 72201 |
| Sterne Agee & Leach Inc | Carrie Kelly | Two Perimeter Park S | Ste 100W | Birmingham | AL | 35243 |
| Stifel Nicolaus & Co Inc | Chris Wiegand | 501 N Broadway | 7th Fl | St. Louis | MO | 63102 |
| TD Ameritrade Clearing Inc | Mandi Foster | 1005 Ameritrade Pl | | Bellevue | NE | 68005 |
| The Bank of New York Mellon/FMSBONDS | Richard Mitterando | 16 Wall St | 5th Fl | New York | NY | 10005 |
| Trustmark National Bank | Ralph Clark | 248 E Capital St | Ste 580 | Jackson | MS | 39201 |

Exhibit Y

| Name | NoticeName | Address1 | Address2 | City | State | Zip |
|--------------------------------|--------------|-----------------------|-----------------------|-----------|-------|------------|
| UBS Financial Services LLC | Jane Flood | 1200 Harbor Blvd | | Weehawken | NJ | 07086-0000 |
| US Bank NA | Tim Randall | MK WI S302 | 1555 N Rivercenter Dr | Milwaukee | WI | 53212 |
| Vanguard Marketing Corporation | Kevin Scully | 100 Vanguard Blvd | | Malvern | PA | 19355 |
| Wells Fargo Securities LLC | Steve Turner | 1525 W WT Harris Blvd | Corp Actions NC0675 | Charlotte | NC | 28262 |

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

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

AFFIDAVIT OF SERVICE (REDACTED)

I, Gil Hopenstand, depose and say under the penalty of perjury:

1. I am employed by Kurtzman Carson Consultants LLC (“KCC”), the balloting agent (“the “Balloting Agent”) for Jefferson County, Alabama (the “County”), the debtor in the above-referenced case. My business address is 2335 Alaska Avenue, El Segundo, California, 90245. I am over the age of 18 and not a party to this action. Except as otherwise noted, I could and would testify to the following based upon my personal knowledge. I submit this Affidavit in connection with the service of Solicitation Packages (as defined herein) for the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1911**] (the “Plan”).
2. On August 7, 2013, the Court entered its *Order Approving: (A) the "Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)"; and (B) Related Disclosure Statement Procedures, Deadlines, and Notices* [**Docket No. 1974**] (the “Disclosure Statement Order”) and *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* [**Docket No. 1975**] (the “Solicitation Procedures Order”).¹
3. As the County’s Balloting Agent, KCC is charged with the duty of printing and distributing Solicitation Packages to creditors and other interested parties pursuant to the instructions set forth in the Disclosure Statement Order and the Solicitation Procedures Order.
4. The court-approved solicitation materials (collectively, the “Solicitation Package”) consist of the following:
 - a. the *Solicitation Package Cover Letter* (the “Cover Letter”), attached hereto as **Exhibit W**;
 - b. *Notice of (I) Approval of Disclosure Statement, (II) Confirmation Hearing on Chapter 9 Plan of Adjustment, and (III) Procedures and Deadlines Regarding Confirmation of the Plan* [**Docket No. 1979**] (the “Confirmation Hearing Notice”);

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan or the Solicitation Procedures Order.



- c. a CD-ROM (the “CD-ROM”) containing electronic copies of the Cover Letter; the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1977**] (the “Disclosure Statement”); and the exhibits thereto, including the Plan; and the Confirmation Hearing Notice;
 - d. a class-specific Ballot; and
 - e. a postage pre-paid return envelope (the “Ballot Return Envelope”).
5. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 1-C Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit A**.
 6. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 1-D Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit B**.
 7. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 2-D Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit C**.
 8. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 2-E Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit D**.
 9. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 5-D Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit E**.
 10. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 5-E Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit F**.
 11. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 6 Ballot and Ballot Return Envelope to the parties identified in the exhibits attached hereto as **Exhibit G** and **Exhibit H**. Exhibit H has been redacted in accordance with the Court’s *Final Order Granting Debtor’s Motion Pursuant to 11 U.S.C. §§105 and 107(c) for Entry of an Order on an Expedited Basis Restricting Access to Information about Certain Individual Creditors* [**Docket No. 915**] (the “Confidentiality Order”).
 12. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, the Confirmation Hearing Notice, the CD-ROM, a Class 7 Ballot and Ballot Return Envelope to the parties identified in the exhibit attached hereto as **Exhibit I**.
 13. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Notice of Non-Voting Status and the Confirmation Hearing Notice to the Class 1-E parties that are deemed to reject the Plan and are identified in the exhibit attached hereto as **Exhibit J**.

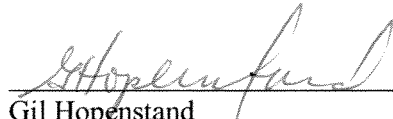
14. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Notice of Non-Voting Status and the Confirmation Hearing Notice to the Class 1-F parties that are deemed to reject the Plan and are identified in the exhibit attached hereto as **Exhibit K**.
15. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Notice of Non-Voting Status and the Confirmation Hearing Notice to the Class 3-B parties that are conclusively presumed to accept the Plan and are identified in the exhibit attached hereto as **Exhibit L**.
16. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Notice of Non-Voting Status and the Confirmation Hearing Notice to the Class 4 parties that are conclusively presumed to accept the Plan and are identified in the exhibit attached hereto as **Exhibit M**.
17. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Notice of Non-Voting Status and the Confirmation Hearing Notice to the Class 8 parties conclusively presumed to accept the Plan and are identified in the exhibits attached hereto as **Exhibit N** and **Exhibit O**. Exhibit O has been redacted in accordance with the Court's Confidentiality Order.
18. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Notice of Non-Voting Status and the Confirmation Hearing Notice to the Class 9 parties that are deemed to reject the Plan and are identified in the exhibit attached hereto as **Exhibit P**.
19. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Cover Letter, Confirmation Hearing Notice, the CD-ROM, and the Notice of Non-Voting Status to the parties identified in the exhibit attached hereto as **Exhibit Q**.
20. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Confirmation Hearing Notice and the Notice of Non-Voting Status to the parties identified in the exhibits attached hereto as **Exhibit R** and **Exhibit S**. Exhibit S has been redacted in accordance with the Court's Confidentiality Order.
21. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Confirmation Hearing Notice to the parties identified in the exhibits attached hereto as **Exhibit T** and **Exhibit U**. Exhibit U has been redacted in accordance with the Court's Confidentiality Order.

[This space intentionally left blank]

22. On or before August 21, 2013, at my direction and under my supervision, employees of KCC sent, via First Class Mail, copies of the Confirmation Hearing Notice and a Memorandum from KCC to additional notice parties of ballot recipients ("Additional Notice Party Memo"), attached hereto as **Exhibit X**, to the parties identified in the exhibit attached hereto as **Exhibit V**.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief. If called to testify at trial on this matter, I would testify under oath to the facts stated in this Affidavit.

Dated: September 13, 2013


Gil Hopenstand
Kurtzman Carson Consultants LLC
2335 Alaska Avenue
El Segundo, CA 90245
Phone: (310) 823-9000

State of California
County of Los Angeles

Subscribed and sworn to (or affirmed) before me on September 13, 2013 by Gil Hopenstand, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: 



Exhibit A

Class 1-C
Sewer Warrant Insurer Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip | Country |
|--------------------------------------|--------------------------|--|----------------------|----------|-------|------------|---------|
| Assured Guaranty Corp. | c/o Assured Guaranty | Attn Kevin J. Lyons & Terence L. Workman | 31 West 52nd Street | New York | NY | 10019-0000 | |
| Assured Guaranty Municipal Corp. | c/o Assured Guaranty | Attn Kevin J. Lyons & Terence L. Workman | 31 West 52nd Street | New York | NY | 10019-0000 | |
| Assured Guaranty Re Ltd. | c/o Assured Guaranty Ltd | Attn James Michener, General Counsel | 30 Woodbourne Avenue | Hamilton | | HM 08 | Bermuda |
| Assured Guaranty Re Overseas Ltd. | c/o Assured Guaranty Ltd | Attn James Michener, General Counsel | 30 Woodbourne Avenue | Hamilton | | HM 08 | Bermuda |
| Financial Guaranty Insurance Company | H. Slayton Dabney, Jr. | Dabney, PLLC | 303 Grande Court | Richmond | VA | 23229 | |
| Syncora Guarantee Inc. | Attn Frederick B. Hnat | 135 West 50th Street | 20th Floor | New York | NY | 10020 | |

Exhibit B

Class 1-D
Other Specified Sewer Claims

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | Address 3 | City | State | Zip |
|---|----------------------|----------------------------|-------------------|----------------------------------|------------|-------|-------|
| J.P. Morgan Securities LLC, relating to Warrant Agreements and Remarketing Agreements | Attn Bill Austin | J.P. Morgan Securities LLC | 270 Park Avenue | | New York | NY | 10017 |
| Lehman Brothers Special Financing Inc | c/o James C Huckaby | Bradley R Hightower | Christian & Small | 505 North 20th Street Suite 1800 | Birmingham | AL | 35203 |

Exhibit C

Class 2-D
School Policy - General Claims

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | City | State | Zip |
|-----------------------------|----------------------|----------------------------------|-----------------|---------|-------|-------|
| Ambac Assurance Corporation | William P Smith Esq | c o McDermott Will and Emery LLP | 227 W Monroe St | Chicago | IL | 60606 |

Exhibit D

Class 2-E
School Surety Reimbursement Claims

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | City | State | Zip |
|-----------------------------|----------------------|----------------------------------|-----------------|---------|-------|-------|
| Ambac Assurance Corporation | William P Smith Esq | c o McDermott Will and Emery LLP | 227 W Monroe St | Chicago | IL | 60606 |

Exhibit E

Class 5-D
General Obligation Policy Claims

| Creditor Name | Creditor Notice Name | Address 1 | City | State | Zip |
|---|---|-----------------|--------|-------|-------|
| National Public Finance Guarantee Corporation | Attn Daniel E. McManus, Jr., Esq. General Counsel | 113 King Street | Armonk | NY | 10504 |

Exhibit F

Class 5-E
General Obligation Swap Agreement Claims

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | City | State | Zip |
|---|------------------------|---------------------------|--------------------|----------|-------|-------|
| JPMorgan Chase Bank, N.A. relating to General Obligation Standby Agreement and Swap Agreement | Attn William A. Austin | JPMorgan Chase Bank, N.A. | 383 Madison Avenue | New York | NY | 10179 |

Exhibit G

Class 6
General Unsecured Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|---|--|---|-----------------------------------|----------|----------------|-------|------------|
| Alexander, Louise | | 2301 9th Avenue North | | | Bessemer | AL | 35020 |
| Allied Energy Company, LLC | James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20th Street North, Suite 1600 | | Birmingham | AL | 35203 |
| Allstate Insurance as subrogee of Shirley Salter and Shirley Salter | Hon. Zack M. Azar | 4276 Lomac Street | | | Montgomery | AL | 36106 |
| Ambac Assurance Corporation | William P Smith Esq | c o McDermott Will and Emery LLP | 227 W Monroe St | | Chicago | IL | 60606 |
| Anthony Piazza | | 1030 16th Ave. S. | | | Birmingham | AL | 35205-4644 |
| Anthony Piazza, Esq. | | P. O. Box 550217 | | | Birmingham | AL | 35255-0217 |
| B.A.S. L.L.P. | Salem Resha Jr., Esq | 1516 South 20th Street South, Suite A | | | Birmingham | AL | 35205 |
| B.A.S.L.L.P. | Salem Resha, Jr., Esq. | 1516 20th Street So., Suite A | | | Birmingham | AL | 35205 |
| BBA Developments, LLC | | P.O. Box 1537 | | | Gardendale | AL | 35071 |
| Beckman Coulter, Inc. | c/o Bernstein Law Firm, P.C. | 707 Grant Street, 2200 Gulf Tower | | | Pittsburgh | PA | 15219 |
| Beers Properties, LLC | c/o W. L. Longshore, III | 2009 Second Avenue North | | | Birmingham | AL | 35203 |
| Belinda Walls | c/o G. Daniels Evans | The Evans Law Firm, P.C. | 1736 Oxmoor Road Suite 101 | | Birmingham | AL | 35209 |
| Bernice Averhart | c/o Perry Glenn Shuttlesworth, Jr. | Shuttlesworth Law Firm | 19 Richard Arrington Jr. Blvd. N. | | Birmingham | AL | 35203 |
| BNSF Railway Co. | James H. White, IV | Baker Donelson | 420 20th St. N, Ste. 1600 | | Birmingham | AL | 35203-5202 |
| BNSF Railway Company | James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20th Street North, Suite 1600 | | Birmingham | AL | 35203 |
| BUFFALO ROCK COMPANY | ATTN CORPORATE LEGAL | 111 OXMOOR ROAD | | | BIRMINGHAM | AL | 35209 |
| Burrell, James E. | | 2712 McKenzie Lane | | | Fredericksburg | VA | 22408 |
| Business Realty Investment Incorporated | c o G Daniel Evans EsqThe Evans Law Firm PC | 1736 Oxmoor Rd Ste 101 | | | Birmingham | AL | 35209 |
| Cardinal Contractors, Inc. (dba Cardinal Southeast) | | 10405 Technology Terrace | | | Lakewood Ranch | FL | 34211 |
| Ceres Environmental Services Inc | c/o James S. Ward | 2100 Southbridge Parkway | Suite 580 | | Birmingham | AL | 35209 |
| Charles E. Wilson, David Harris, III, and Mike Agnesia, et al. | c/o Lee R. Benton | 2019 3rd Avenue North | | | Birmingham | AL | 35203 |
| Charles Gill as Administrator of the Estate of Grace Graham, decd | Michael B. Walker, Esq. | One Perimeter Park South, Suite 315 South | | | Birmingham | AL | 35243 |
| Charles R. Welsh | | 15713 138th Ave E | | | Poyallup | WA | 98374 |
| Charlotte Breece, Lillie Starks, individually and on behalf of all similarly situated persons | c/o Lee Wendell Loder, Esq. | Loder, PC | P.O. Box 13545 | | Birmingham | AL | 35202 |
| Citgo Petroleum Corp. | James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20th Street North, Suite 1600 | | Birmingham | AL | 35203 |
| CITY OF BESSEMER | TAVANEKA TURNER | 1800 3RD AVE N | | | BESSEMER | AL | 35020 |
| City of Hoover, Alabama | Attention Robert Yeager, Director of Finance | 100 Municipal Lane | | | Hoover | AL | 35244 |
| City of Hueytown | Janice Wilhite, City Clerk | Hueytown City Hall | 1318 Hueytown Road | | Hueytown | AL | 35023 |
| City of Leeds, Alabama | Attn David Coyne | 1040 Park Drive | | | Leeds | AL | 35094 |
| City of Leeds, Alabama | C. Ellis Brazeal III | Jones Walker | PO Box 830642 | | Birmingham | AL | 35283-0642 |
| City of Mulga | Miranda Black | PO Box 549 | | | MULGA | AL | 35118 |
| City of Tarrant | Lillian A. Keith, Tarrant City Hall | 1604 Pinson Valley Pkwy | | | Tarrant | AL | 35217-0220 |
| Colonial Realty Limited Partnership | c/o Clark Hammond | Johnston Barton Proctor & Rose LLP | 569 Brookwood Village, Suite 901 | | Birmingham | AL | 35209 |
| ConocoPhillips Co. | James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20th Street North, Suite 1600 | | Birmingham | AL | 35203 |
| CSX Transportation, Inc. | James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20th Street North, Suite 1600 | | Birmingham | AL | 35203 |
| Damien McDaniel | c/o Richard Horsley | 2545 Highland Avenue, Suite 100 | | | Birmingham | AL | 35205 |
| Dansby, Jr., Eddie | | 5070 Lake Crest Circle | | | Hoover | AL | 35226 |

Class 6
General Unsecured Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|---|---|-----------------------------------|---|-------------|-------------------|-------|------------|
| Direct Supply, Inc. | Attn Kurt Polacek | 6767 N. Industrial Rd. | | | Milwaukee | WI | 53223 |
| Elevator Maintenance & Repair | c/o Parnell and Crum P.A. c/o Frank O. Hanson, Jr., Smith & Hanson | PO Box 2189 | | | Montgomery | AL | 36102 |
| Estate of Carolyn Edwards | | 4401 Gary Avenue | | | Fairfield | AL | 35064 |
| Estate of Tekaya Clark | c/o Richard Horsley | 2545 Highland Ave | | | Birmingham | AL | 35209 |
| Ethel Fields | c/o Kira Fonteneau | The Fonteneau Firm, LLC | 1933 Richard Arrington Jr Blvd S, Ste 223 | | Birmingham | AL | 35209-1255 |
| Evans, Margo | Anthony J Piazza | 1030 16th Ave S | | | Birmingham | AL | 35205-4644 |
| FedEx TechConnect, Inc. | As Assignee of Federal Express Corporation etc | Attn Revenue Recovery Bankruptcy | 3965 Airways Blvd Module G 3rd Fl | | Memphis | TN | 38116 |
| Fells Willie | | 1333 Stonehedge Dr | | | Birmingham | AL | 35235 |
| Graybar Electric Company | Jason Nowland | P.O. Box 403052 | | | Atlanta | GA | 30384-3052 |
| Greg and Chantel Reeves | c/o Don Hall | 1616 3rd Ave N. | | | Bessemer | AL | 35020 |
| Hach Co | | PO Box 389 | | | Loveland | CO | 80539 |
| Hambright Tywana S and Doyle Watkins | c o Anthony Piazza | PO Box 550217 | | | Birmingham | AL | 35255-0217 |
| Hartford Life and Accident Insurance Company | c/o Hartford Fire Insurance Company | Hartford Plaza Tower -A T-1-55 | | | Hartford | CT | 06115 |
| Health Assurance, LLC | c/o Benton & Centeno, LLP | 2019 Third Avenue North | | | Birmingham | AL | 35203 |
| Herman Henderson Demoss | c/o G. Daniel Evans, The Evans Law Firm, P.C. | 1736 Oxmoor Road, Suite 101 | | | Birmingham | AL | 35209 |
| High, Steve | | 3108 Exeter Ave | | | Bessemer | AL | 35020 |
| Hill Williams Annie M | | 12863 S Green St | | | Chicago | IL | 60643-0000 |
| Hudson Robbie Lee | | 1906 Summer Cir | | | Birmingham | AL | 35215 |
| J.P. Morgan Securities LLC, relating to Warrant Agreements and Remarketing Agreements | Attn Bill Austin | J.P. Morgan Securities LLC | 270 Park Avenue | | New York | NY | 10017 |
| James T. Marske | | 261 Memory Lane | | | Hayden | AL | 35079 |
| Janay Wright Next Kin of Jadarious Phillips (Deceased) | Atty. Chevene Hill | PO Box 59383 | | | Homewood | AL | 35259 |
| John Mason IV, et.al.(2011-CV-3155-TMP Northern District of Ala) | c/o H. Doug Redd, Attorney at Law | 5343 Old Springville Road | | | Pinson | AL | 35126 |
| Jule Perry | | 2096 Myrtlewood Drive | | | Montgomery | AL | 36111 |
| KCI USA, Inc. | | 8023 Vantage Dr. | | | San Antonio | TX | 78230 |
| KCI USA, Inc. | ARM FBC DEPT | 8023 VANTAGE DRIVE | | | SAN ANTONIO | TX | 78230 |
| KD Hoover, LLC | c/o Clark Hammond, Johnston Barton Proctor & Rose LLP | 569 Brookwood Village, Suite 901 | | | Birmingham | AL | 35209 |
| KELLY, SHIRLEY M. | | 1720 33RD ST ENSLEY | | | BIRMINGHAM | AL | 35208 |
| Kenneth Hocker | | 1942 Palisades Dr | | | Pacific Palisades | CA | 90272 |
| Lee, Thomas | | 3416 33rd Court North | | | Birmingham | AL | 35207 |
| Liberty Mutual Insurance Company | Liberty Mutual Group | Customer Accounting Services | 100 Liberty Way | PO Box 1525 | Dover | NH | 03820-1525 |
| Lowe Paula | Wettermark & Keith, LLC | c/o John H. McElheny | 2101 Highland Ave S, Suite 600 | | Birmingham | AL | 35205 |
| Margo Evans | c/o Anthony Piazza, Esq. | P.O. Box 550217 | | | Birmingham | AL | 35255-0217 |
| Maynard Cooper Gale PC | Jayna Lamar | 1901 6th Avenue North, Suite 2400 | | | Birmingham | AL | 35203 |
| McDonald, Robbie E. | | 307 Candy Mountain Road | | | Birmingham | AL | 35217 |
| McMillan Linda | Hanson Frank | Smith and Hanson | 44012 Gary Ave | | Fairfield | AL | 35064 |
| Michael Lynn Hankins | Dawn Stith Evans | 505 20th St. N., Suite 1000 | | | Birmingham | AL | 35203 |
| Montgomery, Rosie | | 613 84th Street South | | | Birmingham | AL | 35206 |
| Moore Oil Co., Inc. | c o Engel, Hairston & Johanson, P.C. | PO Box 11405 | | | Birmingham | AL | 35202-1405 |
| Morrison Ricky | c o Marcelyn M Morrison Esq | PO Box 682 | | | Bessemer | AL | 35021 |
| Motion Industries, Inc. | | PO Box 1477 | | | Birmingham | AL | 35201-1477 |
| MSC Industrial Supply | Attn Legal Dept | 75 Maxess Road | | | Melville | NY | 11747 |
| Patrick D. Goss, Barbara H. Goss | | 1424 Hiwan Ct | | | Fort Collins | CO | 80525 |
| Pauline Ozley | | 6820 Sybil Ln. | | | McCalla | AL | 35111 |

Class 6
General Unsecured Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|---|---|---|-----------------------------------|----------|--------------|-------|------------|
| Piazza Anthony | | 1030 16th Ave S | | | Birmingham | AL | 35205-4644 |
| Regina Nash | | 640 Park Ave. | | | Fairfield | AL | 35064 |
| Ricky Morrison v Grover Dunn (CV09-1662, Jefferson County, Ala) | c/o H. Doug Redd, Attorney at Law | 5343 Old Springville Road | | | Pinson | AL | 35126 |
| Robert Harold Steber | Robert Potter, Esq., Mann & Potter, P.C. | 600 University Park Place, Suite 250 | | | Birmingham | AL | 35209 |
| Rogers, Jessica | c/o Michael D. Blalock, Esq | Blalock & Blalock, PC | P. O. Box 26365 | | Hoover | AL | 35260 |
| Rudolph Maxine | Attn Stephanie Hunter | Hunter Law Firm, PC | 1823 3rd Ave N | | Bessemer | AL | 35020 |
| SACS STATON AND ASSOCIATES | | 1708 INDIAN SUMMER DR | | | BIRMINGHAM | AL | 35215 |
| Ted E. Self | c/o Cindy Self Webb | Miller, Christie & Kinney, PC | 2090 Columbiana Rd., Ste. 3400 | | Birmingham | AL | 35216-2153 |
| Thad Tidwell, Belinda Walls, individually and for a class of similarly situated individuals or entities | c/o G. Daniel Evans | The Evans Law Firm, P.C. | 1736 Oxmoor Road, Suite 101 | | Birmingham | AL | 35209 |
| Thadd Tidwell | c/o G. Daniel Evans | The Evans Law Firm, P.C. | 1736 Oxmoor Road, Ste. 101 | | Birmingham | AL | 35209 |
| The Home Insurance Company in Liquidation | The Home Insurance Company in Liquidation - Sharon Bergeron | 55 South Commerical Street | | | Manchester | NH | 03101 |
| Thomas, Leonard | Valerie Rucker Russell | Cochran Cherry Givens and Smith PC | PO Box 830419 | | Tuskegee | AL | 36083 |
| Townsend Lisa Ann | | 5149 S Broken Bow Dr | | | Birmingham | AL | 35242 |
| Tyler Phil | | 2306 Warrior Tafford Rd | | | Trafford | AL | 35172 |
| Tywanna S. Hambright and Doyle Watkins | c/o Anthony Piazza | P.O. Box 550217 | | | Birmingham | AL | 35255-0217 |
| U.S. Foundry & Manufacturing Corporation | c/o Rocelie Rodriguez, Corp. Credit Manager | 3200 W. 84th Street | | | Hialeah | FL | 33018 |
| Unisys Corporation | c/o Dana S. Plon, Esquire | 123 South Broad Street, Suite 2100 | | | Philadelphia | PA | 19109 |
| W W Grainger Inc | Attn Special Collections Dept | MES 17800849812 | 7300 N Melvina | | Niles | IL | 60714-3998 |
| W.C. Rice Oil Co., Inc. | James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20th Street North, Suite 1600 | | Birmingham | AL | 35203 |
| Walter Calvin Taylor | c/o Nancy Young | Walter C. Taylor | PO Box 606 | | Warrior | AL | 35180 |
| WEATHERTECH DISTRIBUTING | | PO Box 100609 | | | IRONDALE | AL | 35210 |
| Wells Chip | | 1322 32nd St S | | | Birmingham | AL | 35205 |
| Wells Fargo Real Estate Tax Service, LLC | | 1 Home Campus | MACX2301-035 | | Des Moines | IA | 50328-0001 |
| Xerox Corporation | Attn Vanessa Adams | 1301 Ridgeview Dr - 450 | | | Lewisville | TX | 75057 |

Exhibit H

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit I

Class 7
Bessemer Lease Claims

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | City | State | Zip |
|---|----------------------|---------------------------------------|-------------------------|---------|-------|------------|
| First Commercial Bank, as Indenture Trustee for Lease Revenue Warrants, Series 2006 | c/o Alston Bird LLP | Attn Karol V. Mason & David A. Wender | 1201 West Peachtree St. | Atlanta | GA | 30309-0000 |

Exhibit J

Class 1-E
Sewer Swap Agreement Claims

| Name | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|--|---|-----------------------------------|------------------------------------|------------|-------|------------|
| Bank of America, N.A. | c/o David L. Eades | Moore & Van Allen, PLLC (DLE) | 100 North Tryon Street, 47th Floor | Charlotte | NC | 28202-4003 |
| Bear Stearns Capital Markets Inc. relating to Swap Agreement | Attn Melissa McMahon | Bear Stearns Capital Markets Inc. | 277 Park Avenue | New York | NY | 10172 |
| Lehman Brothers Special Financing Inc | c/o James C Huckaby & Bradley R Hightower | Christian & Small | 505 North 20th Street Suite 1800 | Birmingham | AL | 35203 |
| Lehman Brothers Special Financing Inc | | 745 Seventh Ave 5th Fl | | New York | NY | 10019 |

Exhibit K

Class 1-F
Other Standby Sewer Warrant Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|---|---------------------------------------|--|------------------------------|----------|-------|-------|
| Monarch Alternative Solutions Master Fund Ltd | Attention Michael Gillin | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | New York | NY | 10022 |
| Monarch Capital Master Partners II-A LP | Attention Michael Gillin | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | New York | NY | 10022 |
| Monarch Debt Recovery Master Fund Ltd | Attention Michael Gillin | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | New York | NY | 10022 |
| Monarch Opportunities Master Fund Ltd | Attention Michael Gillin | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | New York | NY | 10022 |
| Monarch Research Alpha Master Fund Ltd | Attention Michael Gillin | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | New York | NY | 10022 |
| Monticello, LLC | Attention Steven Vincent, Esq. | 399 Park Avenue, 16th Floor | | New York | NY | 10022 |
| Permal Stone Lion Fund Ltd. | Attention Claudia Borg | Stone Lion Capital Partners L.P | 555 Fifth Avenue, 18th Floor | New York | NY | 10017 |
| Permal Stone Lion Fund Ltd. | c/o Stone Lion Capital Partners, L.P. | 461 Fifth Avenue, 14th Fl. | | New York | NY | 10017 |
| P-Monarch Recovery Fund Ltd | Attention Michael Gillin | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | New York | NY | 10022 |
| Red Mountain Holdings LLC | Attn Marc Abrams | c/o Willkie Farr & Gallagher LLP | 787 Seventh Avenue | New York | NY | 10019 |
| SL Liquidation Fund L.P. | Attention Claudia Borg | Stone Lion Capital Partners L.P | 555 Fifth Avenue, 18th Floor | New York | NY | 10017 |
| Societe Generale, New York Branch | Attn John Bardakjy | 1221 Avenue of the Americas | | New York | NY | 10020 |
| State Street Bank and Trust Company | William W Kannel Esq | c o Mintz Levin Cohn Ferris Glovsky and Popeo PC | One Financial Ctr | Boston | MA | 02111 |
| Stone Lion Portfolio L.P. | Attention Claudia Borg | Stone Lion Capital Partners L.P | 555 Fifth Avenue, 18th Floor | New York | NY | 10017 |
| Stone Lion Portfolio L.P. | c/o Stone Lion Capital Partners L.P. | 461 Fifth Avenue, 14th Fl | | New York | NY | 10017 |
| The Bank of New York Mellon | Edward J. DeSalvio | Managing Director, Asset Recovery Division | One Wall Street, 16th Floor | New York | NY | 10288 |
| The Bank of Nova Scotia | Steven S. Kerr Managing Director | One Liberty Plaza | | New York | NY | 10006 |

Exhibit L

Class 3-B
Board of Education Lease Policy Claims

| Name | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|----------------------------------|----------------------|---|---------------------------------|----------|-------|-------|
| Assured Guaranty Municipal Corp. | c/o Assured Guaranty | Attn: Kevin J. Lyons and Terence L. Workman | 31 West 52 nd Street | New York | NY | 10019 |

Exhibit M

Class 4
Other Secured Claims, including Secured Tax Claims

| Name | CreditorNoticeName | Address1 | Address2 | City | State | Zip | Country |
|---|---------------------------------------|--------------------------------------|------------------------------|------------|-------|------------|---------|
| Assured Guaranty Re Ltd. | c/o Assured Guaranty Ltd. | Attn James Michener, General Counsel | 30 Woodbourne Avenue | Hamilton | | HM 08 | Bermuda |
| Charlotte Breece, Lillie Starks, individually and on behalf of all similarly situated persons | c/o Lee Wendell Loder, Esq. | Loder, PC | P.O. Box 13545 | Birmingham | AL | 35202 | |
| Cooper Green Mercy Hospital, a unit of debtor, by Maralyn Mosley | c/o Baxley, Dillard, McKnight & James | 2008 3rd Avenue South | | Birmingham | AL | 35233 | |
| Foresight Developement, LLC | | 3477 Indian Lake Way | | Pelham | AL | 35124 | |
| Gene M. Zinn Rev. Liv. TR | Gene M. Zinn TTEE | Route 1 Box 234 A | | Simpson | IL | 62985-9614 | |
| Heartwood 88, LLC | c/o Frank C. Galloway, III | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | Birmingham | AL | 35209 | |
| Rowry, Valerie | Hatcher Law Office, LLC | 2202 2nd Avenue, North | | Birmingham | AL | 35203 | |
| Simmons Bonnie | | 1108D Rue Maison | | Birmingham | AL | 35209 | |
| US Department of Commerce, Economic Development Administration | | 401 W. Peachtree St, NW, Ste 1820 | | Atlanta | GA | 30308-3510 | |

Exhibit N

Class 8
Other Unimpaired Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|---------------------------------------|---|---|--------------------|----------|------------------|-------|-------|
| Albright Esie | c o Cinde Merritt 141 5th Ave SW Apt A | 141 5th Ave SW Apt A | | | Birmingham | AL | 35211 |
| Alexander Jocial | c o Ilene Watts 1016 Walker Ave | 1016 Walker Ave | | | Birmingham | AL | 35217 |
| AMERICAN LAND DEVELOPMENT CORP | | 33 INVERNESS CENTER PKWY STE 100 | | | HOOVER | AL | 35242 |
| Berry J Dye Jr | | 1560 Rainbow Lane | | | Warrior | AL | 35180 |
| Bessemer City Board of Education | Attn Dana B. Hill | Boardman, Carr, Hutcheson & Bennett, P.C. | 400 Boardman Drive | | Chelsea | AL | 35043 |
| BILL CHAPMAN | | 1000 COLEMAN DRIVE | | | MCCALLA | AL | 35111 |
| Birchfield, Suzanne | c o Candice J Shockley EsqHolliman and Shockley | 2491 Pelham Pkwy | | | Pelham | AL | 35124 |
| Birmingham City Board of Education | Afrika C. Parchman, Esq., General Counsel | Birmingham City Board of Education | 2015 Park Place | | Birmingham | AL | 35203 |
| Boone Sue | c o Stephen Lee 16200 Hwy 61 | 16200 Hwy 61 | | | Wilsonville | AL | 35186 |
| BRENTWOOD COMPANIES | | PO BOX 361405 | | | HOOVER | AL | 35242 |
| Burton Jimmy | c o Rpger Burton 6044 Brookhill Circle | 6044 Brookhill Circle | | | Birmingham | AL | 35242 |
| Cardon Mary | c o Joan Jackson 1601 23rd Street | 1601 23rd Street | | | Gulf Port | MS | 39501 |
| Carl Suggs and Mary Sue B. Nash Suggs | Michael B. Odom | 2001 Park Place North, Suite 1400 | | | Birmingham | AL | 35203 |
| Carolyn and William Chatham | | 4215 Main Street | | | Pinson | AL | 35126 |
| CATO LAND and DEVELOPMENT LLC | | 441 HIGHWAY 31 NORTH | | | WARROR | AL | 35180 |
| Charles H Vickers Meredith Vickers | | 4836 15th Road | | | Hueytown | AL | 35023 |
| Charles Poe Realty Co Inc | | 7480 Highway 75 | | | Pinson | AL | 35126 |
| CHESHIRE PARC PH II C | | 3477 INDIAN LAKE WAY | | | PELHAM | AL | 35124 |
| CHESHIRE PARK PH 2 | | 3477 INDIAN LAKE WAY | | | PELHAM | AL | 35124 |
| Christopher L Cowing | | 1084 Saddle Creek Parkway | | | Leeds | AL | 35242 |
| City of Birmingham | | Room T- 100 | 710 20TH ST N | | BIRMINGHAM | AL | 35203 |
| City of Brighton | | 3700 MAIN ST | | | BRIGHTON | AL | 35020 |
| City of Fairfield | | P O DRAWER 437 | | | FAIRFIELD | AL | 35064 |
| City of Lipscomb | | 5512 AVE H | | | LIPSCOMB | AL | 35020 |
| City of Midfield | | 725 BESSEMER SUPER HWY | | | MIDFIELD | AL | 35228 |
| Consuella Bland | | 5524 Norway Avenue | | | McDonalds Chapel | AL | 35224 |
| COSTWALDS DEVELOPMENT LTD | | 820 SHADES CREEK PKWY | STE 2300 | | BIRMINGHAM | AL | 35209 |
| COTSWALD PHASE 4 SECTOR A3 | | | | | | | |
| COTSWALD PHASE 5 SECTOR A2 | | | | | | | |
| D and S LAND INTERNATIONAL LLC | | PO BOX 295 | | | GARDENDALE | AL | 35071 |
| D Mark Hardison | | 3900 Crosshaven Drive | | | Cahaba Heights | AL | 35243 |
| DEERFOOT POINT CRRT 3 CENTS LEFT OF | | | | | | | |
| DELCOR CONSTRUCTION INC | | PO BOX 773 | | | GARDENDALE | AL | 35071 |
| Don F Meadows Jr | | 130 Red Stone Lane | | | Adger | AL | 35006 |
| DONNIE PAIR and STEVE KIMBROUGH | | PO BOX 295 | | | GARDENDALE | AL | 35071 |
| DORMAN DEVELOPMENT and CONSTRUCTION | | 4115 BRADFOR HOPEWLL ROAD | | | PINSON | AL | 35126 |
| DR HORTON INC | | 2090 COLUMBIANA RD STE 4000 | | | BIRMINGHAM | AL | 35146 |
| EAGLE DEVELOPMENT NORTH LLC | | PO BOX 773 | | | GARDENDALE | AL | 35071 |
| Edward Amick Jr | | 6348 Amick Lane | | | Bessemer | AL | 35023 |
| ENGINEERING DESIGN GROUP LLC | | 246 YEAGER PARKWAY | | | PELHAM | AL | 35124 |
| Fairfield City Board of Education | Attn Superintendent Walter B. Gonsoulin, Jr. | 6405 Avenue D | | | Fairfield | AL | 35064 |
| Fincher Charles | c o Celeste Jackson 4025 Beverly Drive | 4025 Beverly Drive | | | Birmingham | AL | 35206 |
| Foresight Development, LLC | | 3477 Indian Lake Way | | | Pelham | AL | 35124 |
| Fred Miller and Jeff Co | | | | | | | |
| Fuller Britney | c o Mary Pollard PO Box 455 | PO Box 455 | | | Birmingham | AL | 35201 |
| G and T DEVELOPMENT LLC | | 5051 LINWOOD DRIVE | | | BIRMINGHAM | AL | 35244 |
| Gaeton Michael Lorino | | 4924 Cahaba River Road | | | Cahaba Heights | AL | 35243 |

Class 8
Other Unimpaired Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|---|--|-------------------------------------|--------------------------------------|----------|----------------|-------|------------|
| GREATER BIRMINGHAM HABIT FOR HUMANITY | | PO BOX 540 | | | FAIRFIELD | AL | 35064 |
| Green Jerry | c o Geraldine Raines PO Box 563 | PO Box 563 | | | Chelsea | AL | 35043 |
| Gregg Keith | c o Freddie Mae Gregg 4229 2nd Ave S | 4229 2nd Ave S | | | Birmingham | AL | 35222 |
| Gregory Pack and Jeff Wise | Frank C. Galloway III | 2200 Woodcrest Place, Ste. 310 | | | Birmingham | AL | 35209 |
| Harper Mercedes | c o Anita Scott PO Box 455 | PO Box 455 | | | Birmingham | AL | 35201 |
| HBC HOLDING LLC | | 6309 PINNIACLE CIRCLE | | | MT OLIVE | AL | 35117 |
| Homewood City Board of Education | Attn Superintendent Bill Cleveland | #7 Hollywood Boulevard | | | Homewood | AL | 35209 |
| Hoover City Board of Education | Attn Superintendent Andy Craig | Farr Administration Building | 2810 Metropolitan Way | | Hoover | AL | 35243 |
| HOWARD DAVID | | 4340 PATTY LN | | | PINSON | AL | 35126 |
| Hughes Lucky | c o Rickey Allison 1003 Scotch Heather Ave | 1003 Scotch Heather Ave | | | Mt Airy | MD | 21771 |
| INDIAN GAP PARTNERS LLC | | PO BOX 554 | | | MCCALLA | AL | 35111 |
| James and Delores Sprouse | Michael B. Odom, Esq. | 2001 Park Place North, Suite 1400 | | | Birmingham | AL | 35203 |
| James G Sullivan | | Center Point Road | | | Center Point | AL | 35215 |
| James Knutson | | | | | | | |
| Jeff Wise | Frank C. Galloway III | 2200 Woodcrest Place, Ste. 310 | | | Birmingham | AL | 35209 |
| Jefferson County Board of Education | Attn Whit Colvin | Bishop, Colvin, Johnson & Kent, LLC | 1910 First Avenue North | | Birmingham | AL | 35203 |
| Jefferson County Retiree Group Health Care Plan | c o County Attorney | Jefferson County Courthouse | 716 Richard Arrington Blvd N Ste 430 | | Birmingham | AL | 35203 |
| Jerry Bahakel | | 3990 Marthas Circle | | | Galleria | AL | 35244 |
| Jessica Edwards as class representative | Matthew Weathers Esq counsel for Carmella Macon and William Casey as intervenors | c o Weathers Law Firm LLC | PO Box 1826 | | Birmingham | AL | 35201-1826 |
| Jessica Edwards as class representative | Samuel M Hill Esq counsel for plaintiff class | c o Hill Turner LLC | 265 Riverchase Pkwy E Ste 202 | | Hoover | AL | 35244-2898 |
| John W Stewart Jeanette H Stewart | | 7137 Old Tuscaloosa Hwy | | | McCalla | AL | 35111 |
| Johnson Mary | c o Archie Fields 4312 51st Ave N | 4312 51st Ave N | | | Birmingham | AL | 35217 |
| Jones Michael | c o John Henry Jones 5950 Scottsdale Drive | 5950 Scottsdale Drive | | | Mobile | AL | 36618 |
| Joy S Parker | | 6335 Snowville Brent Road | | | Dora | AL | 35062 |
| Kerry Whatley | | 2581 Kerry Circle | | | Morris | AL | 35116 |
| Kimberly R Sanders | | 8420 Bill Jones Road | | | Morris | AL | 35116 |
| King Leonard | c o Terry King 7433 1st Ave S | 7433 1st Ave S | | | Birmingham | AL | 35206 |
| Kinsel Industries Inc | | Morgan Raod Industrial Pk | 3061 Dublin Circle | | Bessemer | AL | 35022 |
| L and M EXCAVATING INC | | PO BOX 407 | | | MORRIS | AL | 35116 |
| Leeds City Board of Education | Attn Superintendent John J. Moore | 1404 8th Street | P.O. Box 1083 | | Leeds | AL | 35094 |
| LINDSEY ESTATES LLC | | 15 SOUTHLAKE LANE SUITE 300 | | | BIRMINGHAM | AL | 35244 |
| Lowery Homes Inc | | 2576 Oak Leaf Circle | | | Bessemer | AL | 35022 |
| Lowery Homes Inc | | 2624 Oakleaf Circle Lot 229 | | | Bessemer | AL | 35022 |
| Lowery Homes Inc | | 2629 Hawthorne Lake Road | | | Bessemer | AL | 35022 |
| Lowery Homes Inc | | 2664 Piedmont Drive | | | Bessemer | AL | 35022 |
| Lowery Homes Inc | | 2665 Piedmont Drive | | | Bessemer | AL | 35022 |
| Mark Anderson | | 2701 Corner Road | | | Warrior | AL | 35180 |
| Martin Jr James | c o Jeff Martin 3221 Grandlake Blvd | 3221 Grandlake Blvd | | | Kenner | LA | 70065 |
| MCASHAN RIDGE DEVELOPMENT INC | | PO BOX 554 | | | MCCALLA | AL | 35111 |
| MCCALLA PROPERTIES LLC | | PO BOX 660205 | | | VESTAVIA HILLS | AL | 35266-0205 |
| McKee Constr Jeff Cty | | | | | | | |
| MEADOW RIDGE LLC | JOEL W. MULKIN | 14 OFFICE PARK CIR STE 260 | | | BIRMINGHAM | AL | 35223 |
| Micheal Or Misti Bartlet | | 9869 Hill Lane | | | Warrior | AL | 35180 |
| Midfield City Board of Education | Attn Superintendent Demica Sanders | 417 Parkwood Street | | | Midfield | AL | 35228 |
| MORGAN RUN DEVELOPMENT CO INC | | 128 HIGH CREST ROAD | | | PELHAM | AL | 35124 |
| MORGANS RUN SUBD PH I SEC 1 | | | | | | | |

Class 8
Other Unimpaired Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip |
|---|--|---|--------------------------------------|-------------------------------|----------------|-------|------------|
| Mountain Brook City Board of Education | Attn Superintendent Richard Barlow | 32 Vine Street | | | Mountain Brook | AL | 35213 |
| Mozelle Dean | Frank C. Galloway III | 2200 Woodcrest Place, Ste. 310 | | | Birmingham | AL | 35209 |
| National Homebuilders Inc | | Chalkville Mountain Rd and Martin Rd | | | Trussville | AL | 35173 |
| New Centennial Realty LLC | | 2300 Christopher Knoll | | | Vestavia Hills | AL | 35243 |
| New Centennial Realty LLC | | Green Valley Road | | | Cahaba Heights | AL | 35243 |
| Odom Annie | c o Sidney Summey PO Box 248 | PO Box 248 | | | Birmingham | AL | 35201 |
| PALMETTO GARDENS | | | | | | | |
| Pinson | | | | | Pinson | AL | 35126 |
| PREMIRE DEVELOPMENT GROUP LLC | | 3807 HELENA ROAD | | | HELENA | AL | 35080 |
| Robert E Yeilding | | 3765 White Road | | | Dora | AL | 35062 |
| Robertson Jimmy | | | | | | | |
| ROSSER FARMS PH 2 SEC 1 and 2 | | | | | | | |
| SADGFIELD DEVELOPMENT LLC | | 690 BEASLEY ROAD | | | GARDENDALE | AL | 35071 |
| SALISBURY DEVELOPMENT | | 1541 COOPER HILL ROAD | | | BIRMINGHAM | AL | 35210 |
| SAVANNAH RIDGE LLC | | 2086 A VALLEYDALE TERRACE | | | BIRMINGHAM | AL | 35244 |
| Shannon Pate ASP Homebuilding Inc | | 2870 Glen Gate Circle | | | Bessemer | AL | 35022 |
| STAN PARKER | | 3004 DUNDEE LANE | | | BIRMINGHAM | AL | 35242 |
| Stapleton Margaret | c o Sidney Summey PO Box 248 | PO Box 248 | | | Birmingham | AL | 35201 |
| Tarrant City Board of Education | Attn Superintendent Shelly Mize | 1318 Alabama Street | | | Birmingham | AL | 35217 |
| Taylor Martin | c o Theresa Evans 762 80th Street S | 762 80th Street S | | | Birmingham | AL | 35206 |
| Terry Helen | c o Carlene Penry 6338 DOLive Court | 6338 Dolive Court | | | Daphnie | AL | 35526 |
| Terry Sarah | c o Jackie B Taylor 9601 Harvella Road | 9601 Harvella Road | | | Warrior | AL | 35180 |
| The General Retirement System for Employees of Jefferson County | | Jefferson County Courthouse | 716 Richard Arrington Blvd N Ste 430 | | Birmingham | AL | 35203 |
| The Martin Plaintiffs and Bryan Intervenors | Rowan D. Wilson | Cravath, Swaine & Moore LLP | 825 Eighth Avenue | | New York | NY | 10019 |
| THE SANDERS TRUST | | 1000 URBAN CENTER DRIVE STE 675 | | | BIRMINGHAM | AL | 35242 |
| Theodore Popee | | 6063 Woodland Avenue | | | Pinson | AL | 35126 |
| Thomas C. Hudson, Jr. | Michael B. Odom, Esq. | 2001 Park Place North, Suite 1400 | | | Birmingham | AL | 35203 |
| Thomas R Smith | | 9760 15th Street Road | | | Bessemer | AL | 35023 |
| TIM BAGWELL | | 9532 TRAMMEL ROAD | | | DORA | AL | 35062 |
| TIMBERLEAF II LLC | | 4518 VALLEYDALE ROAD SUITE 203 | | | BIRMINGHAM | AL | 35242 |
| TIMBERLINE BUILDING CO INC | | 7951 WYNWOOD ROAD | | | TRUSSVILLE | AL | 35173 |
| Todd Adams | | 9725 Winding Creek Drive | | | Warrior | AL | 35180 |
| United States on Behalf of the U.S. Department of Justice | Jay D. Adelstein, Esq. | U.S. Department of Justice, Civil Rights Division | CRT, ELS, PHB Room 4026 | 950 Pennsylvania Avenue, N.W. | Washington | D.C. | 20530 |
| United States on Behalf of U.S. Environmental Protection Agency | William A. Weinischke | United States Dept. of Justice/ENRD/EES | PO Box 7611 | Ben Franklin Station | Washington | DC | 20044-7611 |
| Vestavia Hills City Board of Education | Patrick H. Boone | 215 Richard Arrington Jr Blvd N | Suite Number 705 | | Birmingham | AL | 35203 |
| VICKY and MIKE ELROD BUILDERS INC | | 705 1ST AVE STE 100 | | | PLEASANT GOVE | AL | 35127 |
| Warden Shirley | c o Thomas Pelt 604 Bell Ave | 604 Bell Ave | | | Birmingham | AL | 35217 |
| Waverly Subdivision LLC | | 6010 Victoria Lane | | | PINSON | AL | 35126 |
| Williams Mary | c o Phyllis Walker 4291 Osage Drive | 4291 Osage Drive | | | Birmingham | AL | 35217 |
| WILLOW GLEN LLC | | 14 OFFICE PARK CIR STE 260 | | | BIRMINGHAM | AL | 35223-0000 |
| Willow Glenn LLC | | 15 OFFICE PARK CIRCLE SUITE 260 | | | BIRMINGHAM | AL | 35224 |
| Wright Octavia | c o Robin Wright 3408 Hickory Ave SW | 3408 Hickory Ave SW | | | Birmingham | AL | 35211 |

Exhibit O

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit P

Class 9
Subordinated Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|--|------------------------|----------------------------|--------------------|----------------|-------|------------|
| Donald and Judith Goettl | | 8331 County Hwy F | | Chippewa Falls | WI | 54729-5787 |
| Gaye P. Clayton | | 8193 US Hwy 331 | | Montgomery | AL | 36105 |
| Howard Heffelfinger and Rebecca V. Heffelfinger JTWROS | Howard L. Heffelfinger | 1301 Old Carriage Ln | | Huntsville | AL | 35802-2766 |
| Jeanne T. Plaxco | | 1109 Lido Drive | | Birmingham | AL | 35226 |
| Julian G. Roberts Rev Liv Trust UA 71901 | Julian G. Roberts | 8004 Copenhagen Way | | Boca Raton | FL | 33434 |
| Karl M. Steene Trust | Karl Steene | 1240 Admirals Walk | | Vero Beach | FL | 32963 |
| Kolie T. Clayton Jr. | | 8193 US Highway 331 | | Montgomery | AL | 36105 |
| M. Madelyn Anderson TTEE, M. Madelyn Anderson Trust | M. Madelyn Anderson | 2417 Sweetwater C.C. Drive | | Apopka | FL | 32712 |
| Michael J Goldberg | | 1745 Sherwood Rd | | Highland Pk | IL | 60035 |
| Richard L.S. and Eunice A. Smith | | 2615 Astronaut Drive | | Bismarck | ND | 58503-1145 |
| Susan J. Jones | | 1105 N. Ridge Blvd | | Clermont | FL | 34711-2732 |
| Susan J. Jones & William A Jones | Susan J Jones | William A Jones | 1105 N. Ridge Blvd | Clermont | FL | 34711-2732 |
| Willard R. Green | | 2801 Racquet Club Dr. | | Midland | TX | 79705 |

Exhibit Q

Master Service List

| Name | Notice Name | Address1 | Address2 | Address3 | City | State | Zip |
|--|---|--|---|---|------------|-------|------------|
| Bankruptcy Administrator for the Northern District of Alabama (Birmingham) | Office of the Bankruptcy Administrator | c/o J. Thomas Corbett, Esq. | United States Bankruptcy Court | 1800 5th Ave. North | Birmingham | AL | 35203-0000 |
| Jefferson County Special Counsel | J.F. "Foster" Clark, Esq. | Balch & Bingham, LLP | 1901 6th Avenue North | 2600 AmSouth Harbert Plaza | Birmingham | AL | 35203-4644 |
| Jefferson County Special Counsel | J. Hobson Presley, Jr. | Balch & Bingham, LLP | 1901 6th Avenue North | | Birmingham | AL | 35223-2483 |
| Ad Hoc Committee | Tanner Guin & Crowell LLC | Justin G Williams | 2711 University Blvd | | Tuscaloosa | AL | 35401-1465 |
| Ad Hoc Committee Sewer Warrantholders | Tanner Guin & Crowell LLC | Justin G Williams | 2711 University Blvd | | Tuscaloosa | AL | 35401-1465 |
| Ad Hoc Sewer Warrantholders | Thomas M Mayer Greogry Horotwitz Elan Daniels Amy Caton | Kramer Levin Naftalis and Frankel LLP | 1177 Avenue of the Americas | | New York | NY | 10036-0000 |
| Alabama Department of Environmental Management | c/o Tom Johnston General Counsel | 1400 Coliseum Blvd. | | | Montgomery | AL | 36110-0000 |
| All Temps Systems, Inc. | c/o Andre M. Toffel | Andre M. Toffel, P.C. | 600 North, 20 th Street | Suite 300 | Birmingham | AL | 35203-0000 |
| Ambac Assurance Corporation | c/o Gregory Andrew Kopacz | McDermott Will & Emery LLP | 340 Madison Avenue | | New York | NY | 10173-1922 |
| Ambac Assurance Corporation | Miles W. Hughes, William P. Smith, Robert A. Dall Asta, Greg Kopacz | McDermott Will & Emery LLP | 227 West Monroe Street | | Chicago | IL | 60606-0000 |
| Ambac Assurance Corporation | c/o Charles L. Denaburg | Najjar Denaburg, P.C. | 2125 Morris Avenue | | Birmingham | AL | 35203-0000 |
| AMCAD | | 15867 North Mountain Road | | | Broadway | VA | 22815-0000 |
| AMSOL | | 4194 Mendenhall Oaks Pkwy. | Suite 160 | | High Point | NC | 27265-0000 |
| AMSOL | Taylor English Duma LLP | John K Rezac | 1600 Parkwood Circle Suite 400 | | Atlanta | GA | 30339-0000 |
| AMT Medical Staffing, Inc. | | 2 20 th Street North | Suite 1360 | | Birmingham | AL | 35203-0000 |
| Andrew Bennett Riderick Royal et al | c o Calvin B Grigsby | 2406 Saddleback Drive | | | Danville | CA | 94506-0000 |
| Appellant Carmella Macon | Appeal No. 1101270 in the Supreme Court of Alabama | c/o Matthew Weathers | Weathers Law Firm, LLC | P.O. Box 1826 | Birmingham | AL | 35201-0000 |
| Appellant Carmella Macon | Appeal No. 1101270 in the Supreme Court of Alabama | Lynn Tillotson Pinker & Cox LLP | Edward Jason Dennis Samuel B Hardy IV | 2100 Ross Avenue Suite 2700 | Dallas | TX | 75201-0000 |
| Appellant William Casey | Appeal No. 1101361 in Supreme Court of Alabama | c/o Matthew Weathers | Weathers Law Firm, LLC | P.O. Box 1826 | Birmingham | AL | 35201-0000 |
| Appellant William Casey | Appeal No. 1101361 in Supreme Court of Alabama | Lynn Tillotson Pinker & Cox LLP | Edward Jason Dennis Samuel B Hardy IV | 2100 Ross Avenue Suite 2700 | Dallas | TX | 75201-0000 |
| Assured Guaranty Municipal Corp. | c/o Winston & Strawn LLP | Lawrence A. Larose, Samuel S. Kohn, Sarah L. Trum George Mastoris Carrie V Hardman | 200 Park Avenue | | New York | NY | 10166-4193 |
| Assured Guaranty Municipal Corp. | c/o Mark P. Williams | Norman, Wood, Kendrick & Turner | 505 20 th Street North | Financial Center – Suite 1600 | Birmingham | AL | 35203-0000 |
| Augmentation, Inc. | | 3415 Independence Drive, Suite 101 | | | Birmingham | AL | 35209-8315 |
| B.A.S. L.L.P. | c/o Salem Resha, Jr. | The Resha Firm | 1516 20 th Street South, Suite A | | Birmingham | AL | 35205-0000 |
| Bank of America, N.A. | c/o David L. Eades Daniel G. Clodfelter David S. Walls | Moore & Van Allen, PLLC | 100 North Tryon Street, Suite 4700 | | Charlotte | NC | 28202-4003 |
| Bank of America, N.A. | c/o Joe A. Joseph Clifton C. Mosteller Cathleen Curran Moore | Burr & Forman LLP | 420 North 20 th Street, Suite 3400 | | Birmingham | AL | 35203-0000 |
| Bayerische Landesbank | Attn: Francis X. Doyle Second Vice President | 560 Lexington Avenue 18th Floor | | | New York | NY | 10022-0000 |
| Bayerische Landesbank | c/o Edward A. Smith | Venable | 1270 Avenue of the Americas 25th Fl | Rockefeller Center | New York | NY | 10020-0000 |
| Bayern LB | c/o Edward A. Smith | Venable | 1270 Avenue of the Americas 25th Fl | Rockefeller Center | New York | NY | 10020-0000 |
| Bayern LB | c/o Joseph Campagna VP | 560 Lexington Avenue | | | New York | NY | 10022-0000 |
| BBA Development, LLC | c/o Amanda M. Beckett | Burr & Forman LLP | 420 North 20 th Street, Suite 3400 | | Birmingham | AL | 35203-0000 |
| Beckman Coulter, Inc. | c/o Kirk B. Burkley | Bernstein Law Firm, P.C. | Suite 2200 Gulf Tower | | Pittsburgh | PA | 15219-1900 |
| Beers Properties, LLC | c/o W.L. Longshore, III | Longshore, Buck & Longshore, P.C. | 2009 Second Avenue North | | Birmingham | AL | 35203-0000 |
| Bill George | c/o Jon C. Goldfarb Daniel Arciniegas L. William Smith | Wiggins, Childs, Quinn & Pantazis, LLC | 301 19 th Street North | The Kress Bldg | Birmingham | AL | 35203-0000 |
| Blue Ridge Investments, LLC | Affiliate of Bank of America, N.A. | David L Eades, Daniel G. Clodfelter, David S. Walls | Moore & Van Allen, PLLC | 100 North Tryon Street, Suite 4700 | Charlotte | NC | 28202-4003 |
| Blue Ridge Investments, LLC | Affiliate of Bank of America, N.A. | c/o Cathleen Curran Moore | Burr & Forman LLP | 420 North 20 th Street, Suite 3400 | Birmingham | AL | 35203-0000 |
| BNSF Railway Company | c/o James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20 th Street North | 1600 Wells Fargo Tower | Birmingham | AL | 35203-0000 |
| Brice Building Co., LLC | | 201 Sunbelt Parkway | | | Birmingham | AL | 35211-0000 |

Master Service List

| Name | Notice Name | Address1 | Address2 | Address3 | City | State | Zip |
|---|---|---|---|----------------------------------|--------------|-------|------------|
| Charles E Wilson David Harris III and Mike Agnesia et al | c/o Lee R. Benton & Jamie A. Wilson | Benton & Centeno, LLP | 2019 Third Avenue North | | Birmingham | AL | 35203-0000 |
| Charlotte Breece & Lillie Starks | On behalf of all similarly situated persons in Breece, et al v. Jefferson County Tax Collector | c/o Lee Wendell Loder | Loder, P.C. | P.O. Box 13545 | Birmingham | AL | 35202-0000 |
| City of Birmingham | c/o Michael M. Fliegel Assistant City Attorney | Legal Dept. | 710 20 th Street North | | Birmingham | AL | 35203-0000 |
| City of Birmingham, Alabama | c/o U.W. Clemon | White Arnold & Dowd P.C. | 2025 Third Avenue North, Suite 500 | | Birmingham | AL | 35203-0000 |
| City of Center Point, Alabama | c/o Robert C. Keller | Russo, White & Keller, P.C. | 315 Gadsden Highway, Suite D | | Birmingham | AL | 35235-0000 |
| City of Hoover | c/o E. Dianne Gamble & Mark S. Boardman | Boardman, Carr, Hutcheson & Bennett, P.C. | 400 Boardman Drive | | Chelsea | AL | 35043-8211 |
| City of Hoover | Leslie M Klasing April B Danielson | Waldrep Stewart and Kendrick LLC | 2323 Second Avenue North | | Birmingham | AL | 35203-0000 |
| City of Midfield, Alabama | c/o David A. Sullivan | 1728 3 rd Avenue North | Suite 400D | | Birmingham | AL | 35203-0000 |
| Collette Funderburg | c/o Michael J. Antonio, Jr. | Greystone Legal Clinic | 2516 11 th Avenue North | | Birmingham | AL | 35234-0000 |
| Cooper Shattuck, Esq. Legal Advisor | Office of the Governor | State of Alabama | State Capitol, Room N-104 | 600 Dexter Avenue | Montgomery | AL | 36130-0000 |
| CSX Transportation, Inc. | c/o James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20 th Street North | 1600 Wells Fargo Tower | Birmingham | AL | 35203-0000 |
| David Perry, Esq. Finance Director | Office of the Governor | State of Alabama | State Capitol, Room N-104 | 600 Dexter Avenue | Montgomery | AL | 36130-0000 |
| David Swanson | c/o Henry J. Walker | Walker Law Firm | 2330 Highland Ave. | | Birmingham | AL | 35205-0000 |
| Delores W. Frost | c/o W.L. Longshore, III | Longshore, Buck & Longshore, P.C. | 2009 Second Avenue North | | Birmingham | AL | 35203-3703 |
| Elevator Maintenance and Repair, Inc. | c/o Charles N. Parnell, III | Parnell & Crum, P.A. | P.O. Box 2189 | | Montgomery | AL | 36102-2180 |
| Environmental Protection Agency | William Bush and Brad Ammons | 61 Forsyth Street, SW | Atlanta Federal Center | | Atlanta | GA | 30303-3104 |
| Environmental Protection Agency | Ariel Rios Building | 1200 Pennsylvania Avenue, N.W. | Mail Code: 1101A | | Washington | DC | 20460-0000 |
| Environmental Protection Agency | US Department of Justice | c o Bill Weinischke | 601 D Street NW Room 6028 | Patrick Henry Bldg | Washington | DC | 20004-0000 |
| Financial Guaranty Insurance Company | c/o William H. Patrick, III Tristan E. Manthey Cherie Dessauer Nobles | Heller, Draper, Patrick & Horn, L.L.C. | 650 Poydras Street, Suite 2500 | | New Orleans | LA | 70130-6103 |
| Financial Guaranty Insurance Company | Robert K. Spotswood Michael T. Sansbury Emily J. Tidmore Grace L. Kipp | Spotswood Sansom & Sansbury LLC | 1819 Fifth Avenue North Suite 1050 | One Federal Place | Birmingham | AL | 35203-0000 |
| Financial Guaranty Insurance Company | c/o H. Slayton Dabney, Jr. | Dabney, PLLC | 303 Grande Court | | Richmond | VA | 23229-0000 |
| First Commercial Bank As Indenture Trustee | David B. Anderson, Deanna L. Weidner | Anderson Weidner, LLC | 505 20 th Street North | Financial Center, Suite 1450 | Birmingham | AL | 35203-4635 |
| First Commercial Bank As Indenture Trustee | Alston & Bird LLP | David A Wender | 1201 West Peachtree Street | | Atlanta | GA | 30309-0000 |
| Fraternal Order of Police Lodge 64 | Robert Thompson, Aubrey Finley and William D. McAnally et al. on behalf of the Employees of the Jefferson County Sheriff's Office | c/o Raymond P. Fitzpatrick | 1929 Third Avenue North | | Birmingham | AL | 35203-0000 |
| Gene J. Gonsoulin | c/o A. Wilson Webb | Webb Law Firm | 4416 Linpark Drive | | Birmingham | AL | 35222-0000 |
| Innovation Depot, successor-in-interest to Entrepreneurial Center, Creditor | c/o Russell M. Cunningham, IV | Cunningham Firm, LLC | 2100 First Avenue North | Landmark Center, Suite 600 | Birmingham | AL | 35203-0000 |
| Internal Revenue Service | | Centralized Insolvency Operation | 600 Arch Street | | Philadelphia | PA | 19106-0000 |
| Internal Revenue Service | co Kenya Bufford | 801 Tom Martin Drive | MS 126 | | Birmingham | AL | 35211-0000 |
| J.P. Morgan Securities, Inc. | JPMorgan Chase Bank, N.A. | c/o Clark R. Hammond | Johnston Barton Proctor & Rose, LLP | 569 Brookwood Village, Suite 901 | Birmingham | AL | 35209-0000 |
| James Pruitt | c/o Cynthia Forman Wilkinson, Esq. Larry R. Mann, Esq. | Wilkinson Law Firm, PC | 215 N. Richard Arrington, Jr. Blvd., Ste. 811 | | Birmingham | AL | 35203-0000 |
| James R. Crane | c/o Steven D. Altmann Charles L. Denaburg Marvin E. Franklin | Najjar Denaburg, P.C. | 2125 Morris Avenue | | Birmingham | AL | 35203-0000 |
| James R. Crane | c/o Sydney Gibbs Ballesteros | Gibbs & Bruns, LLP | 1100 Louisiana, Suite 5300 | | Houston | TX | 77002-0000 |
| Jefferson County Attorney | Jeffrey M. Sewell, County Attorney | Room 280, Jefferson County Courthouse | 716 North Richard Arrington Jr. Blvd. | | Birmingham | AL | 35203-0000 |
| Jefferson County Board of Education | c/o Whit Colvin | Bishop, Colvin, Johnson & Kent, LLC | 1910 First Avenue North | | Birmingham | AL | 35203-0000 |
| Jefferson County Personnel Board | c/o Lee R. Benton & Jamie A. Wilson | Benton & Centeno, LLP | 2019 3 rd Avenue North | | Birmingham | AL | 35203-0000 |
| Jefferson County, Alabama | Boies Schiller & Flexner LLP | George Carpinello | 10 North Peart Street 4th Floor | | Albany | NY | 12207-0000 |
| Jeffrey Weissman, D.D.S., Jeffrey Weissman, D.D.S., P.C., Keith Shannon | Individually and as Class Representatives | c/o Wilson F. Green | Fleenor & Green, LLP | 204 Marina Drive, Ste. 200 | Tuscaloosa | AL | 35406-0000 |

Master Service List

| Name | Notice Name | Address1 | Address2 | Address3 | City | State | Zip |
|--|--|--|--|--|-------------|-------|------------|
| Jeffrey Weissman, D.D.S., Jeffrey Weissman, D.D.S., P.C., Keith Shannon | Individually and as Class Representatives | c/o Brian R. Walding | WALDING, LLC | 505 20 th Street North, Suite 620 | Birmingham | AL | 35203-0000 |
| John A. Vos Esq., Interested Party | c/o John A. Vos, Esq. | 1430 Lincoln Avenue | | | San Rafael | CA | 94901-0000 |
| John Madison, IV, inmates and others similarly situated at the Jefferson County Jail | c/o H. Doug Redd | 5343 Old Springville Road | | | Pinson | AL | 35126-0000 |
| John Mason, IV | Dan C. King, III | Stewart & Stewart, P.C. | 1826 3 rd Avenue North Suite 300 | | Bessemer | AL | 35020-0000 |
| John Plott Company Inc. | | 2804 Rice Mine Road NE | | | Tuscaloosa | AL | 35406-0000 |
| JPMorgan Chase Bank | c/o Steve M. Fuhrman, Ian Dattner, Mary Beth Forshaw, Elisha David Graff, Thomas C. Rice, William T Russell Jr | Simpson Thacher & Bartlett LLP | 425 Lexington Avenue | | New York | NY | 10017-0000 |
| JPMorgan Chase Bank, as Liquidity Agent | c/o Steve Fuhrman | Simpson Thacher & Bartlett LLP | 425 Lexington Avenue | | New York | NY | 10017-0000 |
| JPMorgan Chase Bank, N.A. | Johnston Barton Proctor & Rose, LLP | c/o Lindan J. Hill | 569 Brookwood Village, Suite 901 | | Birmingham | AL | 35209-0000 |
| JPMorgan Securities Inc | JPMorgan Chase Bank, N.A. | Clark R Hammond | Johnston Barton Proctor & Rose, LLP | 569 Brookwood Village, Suite 901 | Birmingham | AL | 35209-0000 |
| Laboratory Corporation of America | Attention: Legal Department | 430 South Spring Street | | | Burlington | NC | 27215-0000 |
| Lara Swindle | c/o Ann C. Robertson H. Wallace Blizzard | Wiggins, Childs, Quinn & Pantazis, LLC | 301 Nineteenth Street North | The Kress Building | Birmingham | AL | 35203-0000 |
| Lehman Brothers Special Financing, Inc. | c/o James C. Huckaby Daniel D. Sparks Bradley R. Hightower | Christian & Small | 505 20 th Street North, Suite 1800 | | Birmingham | AL | 35203-0000 |
| Lloyds TSB Bank PLC | c/o Laura E. Appleby | Chapman and Cutler LLP | 330 Madison Ave. 34th Fl | | New York | NY | 10017-0000 |
| Lloyds TSB Bank PLC | c/o Ann E. Acker James E Spiotto | Chapman and Cutler, LLP | 111 W. Monroe St. | | Chicago | IL | 60603-0000 |
| Lloyds TSB Bank PLC | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205-0000 |
| Luther Strange, Esq. | Attorney General | State of Alabama | 501 Washington Avenue | | Montgomery | AL | 36130-0000 |
| Medical Data Systems Inc. | c/o Bryan G. Hale | Starnes Davis Florie LLP | 100 Brookwood Place, 7 th Floor | | Birmingham | AL | 35209-0000 |
| Mike Hale, in his official capacity as Sheriff of Jefferson County, Alabama | c/o Robert R. Riley Keith Jackson Jay Murrill | Riley & Jackson, P.C. | 1744 Oxmoor Road | | Birmingham | AL | 35209-0000 |
| Monster Energy Company | Solomon Ward Seidenwurm & Smith LLP | Michael D Breslauer | 401 B Street Suite 1200 | | San Diego | CA | 92101-0000 |
| Moore Oil Company | c/o Brenton K. Morris | Benton & Centeno, LLP | 2019 Third Avenue North | | Birmingham | AL | 35203-0000 |
| Morris & Dickson Co LLC | | 410 Kay Lane | | | Shreveport | LA | 71115-0000 |
| National Public Finance Guarantee Corp. | c/o Amy Edgy Ferber | Jones Day | 1420 Peachtree Street, N.E. | Suite 800 | Atlanta | GA | 30309-3053 |
| National Public Finance Guarantee Corp. | c/o Mark A. Cody | Jones Day | 77 West Wacker | | Chicago | IL | 60601-1676 |
| National Public Finance Guarantee Corp. | c/o Corinne Ball | Jones Day | 222 East 41st St | | New York | NY | 10017-6702 |
| National Public Finance Guarantee Corp. | c/o Benjamin S. Goldman | Hand Arendall LLC | 2001 Park Place North | 1200 Park Place Tower | Birmingham | AL | 35203-0000 |
| National Public Finance Guarantee Corp. | Jennifer S Morgan | Hand Arendall LLC | 30200 RSA Tower | PO Box 123 | Mobile | AL | 36601-0000 |
| Office of the Governor State of Alabama | David Perry Finance Director | 600 Dexter Avenue | State Capitol Room N 104 | | Montgomery | AL | 36130-0000 |
| Owens & Minor, Inc. | c/o Robert S. Westermann & Sheila deLa Cruz | Hirschler Fleischer, P.C. | P.O. Box 500 | | Richmond | VA | 23218-0500 |
| Receiver for County's Sewer System | John S. Young, Jr. LLC, as Receiver | c/o Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. | Timothy M. Lupinacci, W. Patton Hahn Max A. Moseley Daniel J Ferretti Bill D Bensinger | 1600 Wells Fargo Tower | Birmingham | AL | 35203-0000 |
| Receiver for County's Sewer System | John S. Young, Jr. LLC, as Receiver | c/o Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. | Joe A. Conner | 633 Chestnut Street | Chattanooga | TN | 37450-0000 |
| Regions Bank | c/o Jayna Partain Lamar J. Leland Murphree | Maynard Cooper & Gale, P.C. | 1901 6th Avenue North | AmSouth/Harbert Plaza, Suite 2400 | Birmingham | AL | 35203-2618 |
| Regions Bank, as Trustee | c/o Brian P. Hall | Smith, Gambrell & Russell, LLP | 1230 Peachtree Street, N.E. | Promenade II, Suite 3100 | Atlanta | GA | 30309-3592 |
| Shoe Station, Inc. | Attn: Michael T. Cronin, Esq. | Johnson Pope Bokor Ruppel & Burns, LLP | 911 Chestnut Street | | Clearwater | FL | 33576-0000 |
| Societe Generale | c/o Mark J. Fiekers Joyce T. Gorman | Ashurst LLP | 1875 K Street N.W., Suite 750 | | Washington | DC | 20006-0000 |
| Societe Generale | Jack Rose Christopher Blackwell Dan Schulman | Ashurst LLP | 7 Times Square | Times Square Tower | New York | NY | 10036-0000 |
| Societe Generale | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205-0000 |

Master Service List

| Name | Notice Name | Address1 | Address2 | Address3 | City | State | Zip |
|--|---|--|--|------------------------------|---------------|-------|------------|
| State of Alabama Department of Finance | c/o Rachel L. Webber, Jerry C. Olshue, Jr., Kristopher D. Sodergren, Robin E. Pate | Rosen Harwood, P.A. | 2200 Jack Warner Parkway, Suite 200 | P.O. Box 2727 | Tuscaloosa | AL | 35403-2727 |
| State of Alabama Office of Governor | Anne Elizabeth McGowin Legal Advisor | 600 Dexter Avenue | State Capitol, Room NB 05 | | Montgomery | AL | 36130-0000 |
| State Street Bank and Trust Company | c/o William W. Kannel & Adrienne K. Walker | Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. | One Financial Center | | Boston | MA | 02111-0000 |
| State Street Bank and Trust Company | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205-0000 |
| Syncora Guarantee, Inc. | c/o Quinn Emanuel Urquhart & Sullivan, LLP | c/o Jonathan E. Pickhardt, Jake M. Shields, Susheel Kirpalani, Daniel Holzman, Eric Kay, Robert S Loigman, Xochitl Strohhahn | 51 Madison Avenue, 22 nd Floor | | New York | NY | 10010-0000 |
| Syncora Guarantee, Inc. | c/o Richard P. Carmody Henry E. Simpson Lawrence J. McDuff Russell J. Rutherford David K. Bowsher Daniel J Newton | Adams and Reese LLP | 1901 6th Avenue North Suite 3000 | | Birmingham | AL | 35203-0000 |
| Syncora Guarantee, Inc. | c/o Matthew Scheck | Quinn Emanuel Urquhart & Sullivan, LLP | 865 South Figueroa Street, 10 th Floor | | Los Angeles | CA | 90017-0000 |
| Teklinks Inc. | | 201 Summit Parkway | | | Homewood | AL | 35209-0000 |
| The Bank of New York Mellon | c/o Thomas C. Mitchell | Orrick, Herrington & Sutcliffe LLP | 405 Howard Street | The Orrick Building | San Francisco | CA | 94105-2669 |
| The Bank of New York Mellon | c/o Debra L Felder | Orrick, Herrington & Sutcliffe LLP | 1152 15th Street NW | Columbia Center | Washington | DC | 20005-1706 |
| The Bank of New York Mellon | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205-0000 |
| The Bank of New York Mellon, as Indenture Trustee | Gerald F Mace Michael R Paslay David E Lemke | Ryan K Cochran Paul S Davidson | Waller Lansden Dortch & Davis, LLP | 511 Union Street, Suite 2700 | Nashville | TN | 37219-0000 |
| The Bank of New York Mellon, as Indenture Trustee | Larry Childs, Esq., Brian J. Malcom, Esq., Heath A. Fite, Esq. | Waller Lansden Dortch & Davis, LLP | 1901 Sixth Avenue North, Suite 1400 | Regions Harbert Plaza | Birmingham | AL | 35203-0000 |
| The Bank of New York Mellon, as Indenture Trustee | c/o Bridget M. Schessler | The Bank of New York Mellon Trust Company, N.A. | 525 William Penn Place, 7 th Floor | | Pittsburgh | PA | 15259-0000 |
| The Bank of Nova Scotia | c/o Laura E. Appleby | Chapman and Cutler LLP | 330 Madison Ave. 34th Fl | | New York | NY | 10017-0000 |
| The Bank of Nova Scotia | c/o Ann E. Acker James E Spiotto | Chapman and Cutler, LLP | 111 W. Monroe St. | | Chicago | IL | 60603-0000 |
| The Bank of Nova Scotia | c/o Donald M. Wright & Stephen B. Porterfield | Sirote & Permutt, P.C. | 2311 Highland Avenue South | | Birmingham | AL | 35205-0000 |
| The Depository Trust & Clearing Corporation a Party in Interest | c/o Adam T Berkowitz Lawrence S. Elbaum | Proskauer Rose LLP | Eleven Time Square | | New York | NY | 10036-8299 |
| The Depository Trust Company, on behalf of the holders of the Jefferson County, Alabama, General Obligation Capital Improvement Warrants, Series 2003-A and 2004- A | | Proskauer Rose LLP | Lawerence S Elbaum | Eleven Time Square | New York | NY | 10036-8299 |
| The Depository Trust Company, on behalf of the holders of the Jefferson County, Alabama, General Obligation Capital Improvement Warrants, Series 2003-A and 2004- A | | | 55 Water Street | | New York | NY | 10041-0000 |
| The Securities and Exchange Commission | Attention: Morgan Bradylyons, Senior Counsel | SEC Headquarters | 100 F Street, NE | | Washington | DC | 20549-9040 |
| U.S. Bank National Association, in its capacity as Indenture Trustee | c/o Clark T. Whitmore Keshia L. Tanabe | Maslon Edleman Borman & Brand,LLP | 90 South Seventh Street | 3300 Wells Fargo Center | Minneapolis | MN | 55402-4140 |
| U.S. Bank National Association, in its capacity as Indenture Trustee | c/o Charles R. Johanson III | Engel, Hairston, & Johanson, P.C. | 4 th Floor, 109 20 th Street (35203) | P.O. Box 11405 | Birmingham | AL | 35202-0000 |
| U.S. Bank, National Association, as Paying Agent | | 2204 Lakeshore Drive Suite 302 | Mail Code: EX-AL-WWPH | | Homewood | AL | 35209-0000 |
| U.S. Pipe and Foundry Company, LLC | c/o Jeffrey B. McClellan, Esq. | 1200 Abernathy Road, NE | Suite 1200 | | Atlanta | GA | 30328-0000 |
| U.S. Securities and Exchange Commission | Office of Reorganization | Atlanta Regional Office | 950 East Paces Ferry Road, N.E., Suite 900 | | Atlanta | GA | 30326-1382 |
| UAB Health System | c/o Kathleen Kauffman Legal Counsel | 500 22 nd Street South, Suite 408 | | | Birmingham | AL | 35233-0000 |
| Unisys Corporation | c/o Dana S. Plon, Esq. | Sirlin Gallogly & Lesser, P.C. | 123 South Broad Street, Suite 2100 | | Philadelphia | PA | 19109-0000 |

Master Service List

| Name | Notice Name | Address1 | Address2 | Address3 | City | State | Zip |
|---|---|---|-----------------------------------|----------------------------|------------|-------|------------|
| Universal Hospital Services, Inc. | c/o James E. Bailey, III | Butler, Snow, O'Mara, Stevens & Cannada, PLLC | 6075 Poplar Avenue, Suite 500 | | Memphis | TN | 38119-0000 |
| University of Alabama Health Services Foundation, P.C. | Attn: Patricia Pritchett | 500 22 nd Street South, Suite 504 | | | Birmingham | AL | 35233-0000 |
| University of Alabama Health Services Foundation, P.C. | Stephen B Porterfield | Siorte & Permut PC | 2311 Highland Avenue South | | Birmingham | AL | 35205-0000 |
| Vekesha Hawes | c/o Tyrone Townsend | P.O. Box 2105 | | | Birmingham | AL | 35205-0000 |
| W.C. Rice Oil Company, Inc. | c/o James H. White, IV | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20 th Street North | 1600 Wells Fargo Tower | Birmingham | AL | 35203-0000 |
| Wells Fargo Bank, National Association as Indenture Trustee | Eric A. Schaffer, Luke A. Sizemore, Mike C. Buckley | Reed Smith LLP | 225 Fifth Ave., Suite 1200 | | Pittsburgh | PA | 15230-2009 |
| Wells Fargo Bank, National Association, Indenture Trustee | c/o Russell M. Cunningham, IV | Cunningham Firm, LLC | 2100 First Avenue North | Landmark Center, Suite 600 | Birmingham | AL | 35203-0000 |
| Wendell Major | Public Employee of Jefferson County Alabama | 3775 Gillespie Road | | | Dolomite | AL | 35061-0000 |

Exhibit R

Administrative Claims

| CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|-----------------------------------|--|------------------------------------|---------------------------------|----------------|-------|------------|
| Alexander, Louise | | 2301 9th Avenue North | | Bessemer | AL | 35020 |
| Arnold W. Gorder | | 5763 Armadillo Ave | | Orange Beach | AL | 36561 |
| Burrell, James E. | | 2712 McKenzie Lane | | Fredericksburg | VA | 22408 |
| Dansby, Jr., Eddie | | 5070 Lake Crest Circle | | Hoover | AL | 35226 |
| Dell Marketing, L.P. | c/o Sabrina L. Streusand, Esq | Streusand, Landon & Ozburn, LLP | 811 Barton Springs Rd., Ste 811 | Austin | TX | 78704 |
| Edmund Klepin | | 223 E Liberty St. | | Hernando | FL | 34442 |
| Grant Capital Management | Grant Capital Management, Inc. Attn Kimberly N. Brown | 8894 Stanford Boulevard, Suite 203 | | Columbia | MD | 21045 |
| High, Steve | | 3108 Exeter Ave | | Bessemer | AL | 35020 |
| Hudson Robbie Lee | | 1906 Summer Cir | | Birmingham | AL | 35215 |
| James and Teresa Self | | 8720 S. Pennsylvania Ave | | Oklahoma City | OK | 73159-5237 |
| Jonathan Waldbaum | | 1404 Langham Terrace | | Heathrow | FL | 32746 |
| Julian G. Roberts Rev Liv Trust | Julian G. Roberts | 8004 Copenhagen Way | | Boca Raton | FL | 33434 |
| Karl M. Steene Trust | Karl Steene | 1240 Admirals Walk | | Vero Beach | FL | 32963 |
| Mary L. Robinson | | 344 McPherson Avenue | | Midfield | AL | 35228 |
| McDonald, Robbie E. | | 307 Candy Mountain Road | | Birmingham | AL | 35217 |
| Montgomery, Rosie | | 613 84th Street South | | Birmingham | AL | 35206 |
| Motion Industries Inc. | | PO Box 1477 | | Birmingham | AL | 35201-1477 |
| MSC Industrial Supply | Attn Legal Dept | 75 Maxess Road | | Melville | NY | 11747 |
| Paul D. & Martha L. Fritts | | 3 Aster Court | | Edwardsville | IL | 62025 |
| Tyler Phil | | 2306 Warrior Tafford Rd | | Trafford | AL | 35172 |
| Universal Hospital Services, Inc. | James E. Bailey III | 6075 Poplar Ave Ste 500 | | Memphis | TN | 38119 |
| William R. Stedman Living Trust | William R. Stedman | 5217 43rd Ct SE | | Lacey | WA | 98503-4343 |
| Wright-Jones Trust (Damon Wright) | Damon Wright | 315 Avenida Cerritos | | Newport Beach | CA | 92660 |
| Wylie P. Reeves Preston Reeves | Dr. Preston Reeves | 605 Rudeloff | | Seguin | TX | 78155 |

Exhibit S

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit T

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|--|---------------------------|----------|------------------|-------|------------|---------|
| 2010 1 CRE Venture LLC | c/o Haskins W Jones Esq Johnston Barton Proctor and Rose LLP | 569 Brookwood Village Suit | Colonial Brookwod Center | | Birmingham | AL | 35209 | |
| 3-GIS LLC | | 350 Market St. NE, Ste. C | | | Decatur | AL | 35601 | |
| A Carson Thompson | | # 6 Pamona Ave. | | | Homewood | AL | 35209 | |
| A Z Storage LLC | | 500 Southland Drive | Ste 212 | | Birmingham | AL | 35226 | |
| AAA Insurance | | P.O. Box 66502 | | | St. Louis | MO | 63166 | |
| AAEM | | 100 North Jackson St. | | | Montgomery | AL | 36104 | |
| Aarion Powell | | 829 Helfin Ave. East | | | Birmingham | AL | 35214 | |
| Aaron L. Lively | | 8944 Highway 124 | | | Carbon Hill | AL | 35549 | |
| Abbott Vascular | | 75 Remittance Dr., Ste. 1138 | | | Chicago | IL | 60675-1138 | |
| ABC Cutting Contractors | | 3060 Dublin Cir. | | | Bessemer | AL | 35022 | |
| Abdul R. Jalloh | | 5744 Service Rd. | | | Birmingham | AL | 35235 | |
| Abelardo Zermeño | | 1906 River Bend | | | Arlington | TX | 76014 | |
| Abibow US Inc. | | P.O. Box 505 | | | Childersburg | AL | 35044 | |
| Abysinia Missionary Baptist Church | | 2301 Avenue E | | | Birmingham | AL | 35218 | |
| Accuprint | | 2023 1st Avenue North | | | Birmingham | AL | 35203 | |
| Accurint | | P.O. Box 7247-6157 | | | Philadelphia | PA | 19170-6157 | |
| ACEY EVELYN | | 1016 B VILLA RICA CT | | | BIRMINGHAM | AL | 35215 | |
| ACTON JONATHAN | | 4050 SERENITY LN | | | BIRMINGHAM | AL | 35214-6412 | |
| Adam A. Scheeler Jr & Maxine Scheeler/Jt. Ten | | 20894 S. Tiberius Dr | | | Queen Creek | AZ | 85142 | |
| Adam A. Scheeler Jr & Maxine Scheeler/Jt. Ten | Adam A Scheeler Jr & Maxine Scheeler | 20894 S. Tiberius Dr | | | Queen Creek | AZ | 85142 | |
| Adam J. Day | | 477 Forest Lakes Dr. | | | Sterrett | AL | 35147 | |
| Adam W. Owens | | 110 Shadywood Cr | | | Sterrett | AL | 35147 | |
| Adamson Ford | | 1922 2nd Avenue South | | | Birmingham | AL | 35233 | |
| Adan Martinez | | 9505 Knob Hill Dr | | | Pinson | AL | 35126 | |
| ADCO Boiler Service | | 3657 Pine Ln. | | | Bessemer | AL | 35023 | |
| ADEM/Permits & Services | | P.O. Box 301463 | | | Montgomery | AL | 36130-1463 | |
| Adrian Armand Dansby | | 603 8th St. | | | Midfield | AL | 35228 | |
| Adrian C. Reynolds | | 6069 Red Hollow Rd. | | | Birmingham | AL | 35215 | |
| Adrian Yvette Yarbrough | | 548 Mary Esther Cut Off NW | PMB 148 | | Ft. Walton Beach | FL | 32548-4064 | |
| Adrienne T. Conyers | | 3892 Caylan Cove | | | Birmingham | AL | 35215 | |
| Adtrav Corporation | | 4555 Southlake Pkwy. | | | Birmingham | AL | 35244 | |
| Advance Plumbing Co. | | 427 McClain Rd. | | | Bessemer | AL | 35023 | |
| Advance Video and Security | Attention Joe Bailey | 1104 Chalkville Rd | | | Trussville | AL | 35173 | |
| Advance Video and Security | Attn Joe Bailey | 1104 Chalkville Rd. | | | Trussville | AL | 35173 | |
| Advantage Financial Services, LLC | | P.O. Box 609 | | | Cedar Rapids | IA | 52406-0609 | |
| Adventure Lands of America, Inc. | Attn Dan Bohner | 305 34th Ave NW | | | Altoona | IA | 50009 | |
| Adventure Lands of America, Inc., an Iowa Corporation | Adventure Lands of America, Inc. | Attn Dan Bohner | 305 34th Ave NW | | Altoona | IA | 50009 | |
| Adventure Lands of America, Inc., an Iowa Corporation | Paul R. Tyler, Esq. | Dickinson, Mackaman, Tyler & Hagan, P.C. | 699 Walnut St, Suite 1600 | | Des Moines | IA | 50309 | |
| Aetna Health of California Inc. | Attn Susan Gagne REAA | 151 Farmington Avenue | | | Hartford | CT | 06156 | |
| Affiliated Computer Services | | P.O. Box 201322 | | | Dallas | TX | 75320-1322 | |
| Agape Love Life Line | | 1517 Hibernian Street | | | Birmingham | AL | 35214 | |
| Agretta Marie Gatling | | 7131 Naples Ave. | | | Birmingham | AL | 35206 | |
| AL Socy of Certified Public Accountants | | P.O. Box 242987 | | | Montgomery | AL | 36124-2987 | |
| AL Socy of Prof Land Surveyors | | P.O. Box 241254 | | | Montgomery | AL | 36124-1254 | |
| Alabama Aegis | | 2910 Linden Ave., Ste. 203 | | | Birmingham | AL | 35209 | |
| Alabama Assoc of Floodplain Manager | | P.O. Box 1764 | | | Madison | AL | 35758 | |
| Alabama Barricade Inc. | | 7007 Praytor Rd. | | | Trussville | AL | 35173-1889 | |
| Alabama Canine Law Enforcement | | 18539 John Swindle Road | | | Newport | AL | 35475 | |
| Alabama Card Systems | | 500 Gene Reed Rd. #102 | | | Birmingham | AL | 35215 | |
| Alabama Center for Law & Civic Ed | | 800 Lakeshore Dr. | | | Birmingham | AL | 35229 | |
| Alabama Cooperative Ext. System | | 961 S Donahue Dr. | | | Auburn | AL | 36849 | |
| Alabama Dept of Environmental Mgmt | c/o Tom Johnston Esq General Counsel | 1400 Coliseum Blvd | | | Montgomery | AL | 36110 | |
| Alabama Dept of Public Safety | | P.O. Box 1471 | | | Montgomery | AL | 36102-1471 | |
| Alabama Dept. of Environmental Management | | P.O. Box 301463 | | | Montgomery | AL | 36130-1463 | |
| Alabama Dept. of Industrial Relations | | 649 Monroe St. | | | Montgomery | AL | 36131 | |
| Alabama Dept. of Revenue | | 50 N Ripley St. | | | Montgomery | AL | 36132 | |
| Alabama Dept. of Transportation | | 1409 Coliseum Blvd. | | | Montgomery | AL | 36130 | |
| Alabama Emergency Management Agency | | 5898 County Rd. 41 | P.O. Drawer 2160 | | Clanton | AL | 35046-2160 | |
| Alabama Eye Bank | | 500 Robert Jemison Road | | | Birmingham | AL | 35209 | |
| Alabama Fund Limited Partnership | | 102 N. Westgate Ave. | | | Jacksonville | IL | 62650 | |
| Alabama Gas Corp. | | 605 Richard Arrington, Jr. Blvd. N | | | Birmingham | AL | 35282 | |
| Alabama Graphics | | 2801 5th Avenue South | | | Birmingham | AL | 35233 | |
| Alabama Hospital Assoc | | 500 North East Blvd | | | Montgomery | AL | 36117 | |
| Alabama Jack Co. Inc. | | 1140 5th Ave. N | | | Birmingham | AL | 35203 | |
| Alabama Judicial College | | 300 Dexter Ave. | | | Montgomery | AL | 36104-3741 | |
| Alabama Messenger | | 205 North 20th St., Ste 706 | | | Birmingham | AL | 35203 | |
| Alabama Oil & Gas | | P.O. Box 586 | | | Trussville | AL | 35173 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--------------------------------------|---|------------------------------------|----------|--------------------|-------|------------|---------|
| Alabama Pipe & Supply Co., Inc. | | 6770 Somerset Dr. | | | Mobile | AL | 36619 | |
| Alabama Podiatric Medical | | P.O. Box 81 | | | Locust Fork | AL | 35097 | |
| Alabama Power Co. | | P.O. Box 242 | | | Birmingham | AL | 35292 | |
| Alabama Specialties | | 7223 1st Ave. N | | | Birmingham | AL | 35206 | |
| Alabama Water Pollution Control Authority | Finance Director | State Capitol | | | Montgomery | AL | 36130 | |
| Alabamians for Education Inc | c o Earl F Hilliard Esq | 228 18th St N | | | Birmingham | AL | 35203 | |
| Alabamians for Education Inc | Elisabeth French | POBox 43651 | | | Birmingham | AL | 35243 | |
| Aladdin Temp-Rite | | P.O. Box 8500-3431 | | | Philadelphia | PA | 19178-3431 | |
| Alaina Shevonne Ullman | | P O Box 13694 | | | Birmingham | AL | 35202 | |
| Alan E. Hiatt | | 66 County Cove | | | Chelsea | AL | 35043 | |
| Alan Schofer | | 3450 Chiswick Ct | | | Silver Spring | MD | 20906-1669 | |
| Alan W. Norman & Carol C. Norman JT TEN | Carol Norman | 128 Godfrey Rd. | | | Edgewater | FL | 32141 | |
| Alastair & Lynn Muir | | 13580 Damen Road | | | Morrison | IL | 61270-9734 | |
| Albert Brown Trust | Albert Brown Trustee | 5778 Crystal Shores Dr 202 | | | Boynton Beach | FL | 33437-5691 | |
| Albert Herbert | | 5525 12th Ave. S | | | Birmingham | AL | 35222 | |
| Albert L. Foster | | 64 Trafalgar Square | | | Birmingham | AL | 35215 | |
| Albert L. Tynes | | 168 Fairview Ln. | | | Montevallo | AL | 35115 | |
| Albert Pitts, Jr & Virginia G Pitts | Albert Pitts, Jr. | 5617 Harborview Lane | | | Northport | AL | 35473 | |
| Albert W. Moore | | 4857 Mt Olive Rd | | | Gardendale | AL | 35071 | |
| Alberta Hubbard | | 9309 Evans Cr | | | Birmingham | AL | 35206 | |
| Albright Esie | | c o Cinde Merritt | 141 5th Ave SW Apt A | | Birmingham | AL | 35211 | |
| Alden C. & Sharon J Lindgren | | PMB 216 Suite A | 14493 S Padre Island Dr | | Corpus Christi | TX | 78418 | |
| Aldonia V. Noland | | 4136 51st Ave. N | | | Birmingham | AL | 35217 | |
| Alen Chao | | 2548 Davenport Circle | | | Kissimmee | FL | 34746 | |
| Alere North America Inc. | | P.O. Box 846153 | | | Boston | MA | 02284-6153 | |
| Alesia Carter | | 4299 Candle Brook Ln. | | | Bessemer | AL | 35022 | |
| Alex Lankford, III, Mary B. Lankford | | P.O. Box 123 | | | Mobile | AL | 36601 | |
| Alex P McCutchin TTEE, The GPM Grandchildrens Trust U/A | | PO Box 802043 | | | Dallas | TX | 75380-2043 | |
| Alex V. Fitzpatrick | | 2600 31st St. SW | | | Birmingham | AL | 35221 | |
| Alexander Jocial | | c o Ilene Watts | 1016 Walker Ave | | Birmingham | AL | 35217 | |
| Alexander Tuskerman | | 30 Port Royal Ave. | | | Foster City | CA | 94404-3581 | |
| ALFANO BETTY JANE | | PO BOX 1842 | | | BESSEMER | AL | 35021-1842 | |
| Alfonso Raynard Miller | | 369 Glynn Dr. | | | Birmingham | AL | 35215 | |
| Alfred Armour | | 544 Gadsden Hwy., Apt. G-135 | | | Birmingham | AL | 35235 | |
| Alfred E. Williams | | 814 Ellen St. | | | Saraland | AL | 36571 | |
| Alfred E. Williams | | 814 Ellen St. | | | Saraland | AL | 36571-3449 | |
| Alfreda Pearson Weatherly | | 4342 74th Place, N | | | Birmingham | AL | 35206 | |
| Alice D. McBrayer | | 2464 Mohawk Dr. | | | Birmingham | AL | 35217 | |
| Alice Irwin | | 9075 Bush Ave | | | Leeds | AL | 35094 | |
| Alice J. Mahaffey | | 2019 Warrior Trafford Rd | | | Warrior | AL | 35180 | |
| Alice Pauline Riley | | 13137 Alice Rd. | | | McCalla | AL | 35111 | |
| Alice Yiu | | 5513 168th Pl SW | | | Lynwood | WA | 98037 | |
| Alimed Inc | | P.O. Box 9135 | | | Dedham | MA | 02027-9135 | |
| Alison Leigh Leathers | | 6207 Stewart Rd | | | Leeds | AL | 35094 | |
| Allan B. Tarbell | | 2213 Settiff Dr. | | | High Point | NC | 27265 | |
| ALLEN MARSHA | | PO BOX 660052 | | | BIRMINGHAM | AL | 35266 | |
| Allen Pazant, Jr. | | 514 5th St. Thomas | | | Birmingham | AL | 35214 | |
| Allen R. Sanders | | 9545 Deer Tr. | | | Warrior | AL | 35180 | |
| Allen Stern | | 11 Silverbeech Ct. | | | Upper Saddle River | NJ | 07458-2331 | |
| Allen Woods | | 2824 31st St. W | | | Birmingham | AL | 35208 | |
| Alleys Drug Store | | 633 Tuscaloosa Avenue | | | Birmingham | AL | 35211 | |
| Allison Wallace | | 111 Pigeon Point | | | Greenville | SC | 29607 | |
| Allstate Insurance Co. | c/o Zack M. Azar, Esq. | Azar & Azar, LLC | 4276 Lomac St. | | Montgomery | AL | 36106 | |
| Allstate Insurance Company | c o Zack M Azar EsqAzar and Azar LLC | 4276 Lomac St | | | Montgomery | AL | 36106 | |
| Allsteel Homecraft Inc. | | 2111 Montevallo Rd. SW | | | Birmingham | AL | 35211 | |
| Alma W. Ellebe | | 1424 Miami Cr | | | Birmingham | AL | 35214 | |
| Aloa K. Farr | | 4896 Aldrich Rd | | | Bessemer | AL | 35022 | |
| Alonzo E. Allen | | 7428 Rome Ave. | | | Birmingham | AL | 35206 | |
| Alston & Bird LLP | Jason H Watson | 1201 W Peachtree St | One Atlantic Ctr | | Atlanta | GA | 30309-3424 | |
| Altec Industries, Inc. | | P.O. Box 11407 | | | Birmingham | AL | 35246-0414 | |
| Alvermita D. McKinney | | 860 Ridgefield Rd | | | Birmingham | AL | 35215 | |
| Amanda Cooper | | 1121 Skyline Dr. | | | Birmingham | AL | 35214 | |
| Amanda Dawn Wix | | 454 Railroad Ave. | | | Dora | AL | 35062 | |
| Amanda J Rutledge | | 524 Bonnie Bell Ln | | | Birmingham | AL | 35210-2822 | |
| Ambac Assurance Corporation | Attn Dwight Kwa | First Vice President, General Counsels Office | One State Street Plaza, 19th Floor | | New York | NY | 10004 | |
| Ambac Assurance Corporation | Attn Dwight Kwa | One State Street Plaza | | | New York | NY | 10004 | |
| Ambac Assurance Corporation | McDermott Will & Emery LLP | Gregory A. Kopacz | 340 Madison Avenue | | New York | NY | 10173-1922 | |
| American Computer (ACCI) | | 2496 Valleydale Road | | | Birmingham | AL | 35244 | |
| American Electronic Supply | | 13 West Park Cir. | | | Birmingham | AL | 35211 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|-----------------------------------|-----------------------------|----------|-----------------|-------|------------|---------|
| American Family Care, Inc. | c/o R. Shan Paden, Esq. | 5 Riverchase Ridge | | | Hoover | AL | 35244 | |
| AMERICAN LAND DEVELOPMENT CORP | | 33 INVERNESS CTR PKWY STE 100 | | | HOOVER | AL | 35242 | |
| American Medical Assoc | | P.O. Box 4188 | | | Carol Stream | IL | 60197-9791 | |
| American Payroll Association | | 660 N Main Ave-Ste 100 | | | San Antonio | TX | 78205-1217 | |
| American Pipe & Supply | | P.O. Box 11474 | | | Birmingham | AL | 35202 | |
| American Public Works Assn | | P.O. Box 802296 | | | Kansas City | MO | 64180-2296 | |
| American Refueler | | P.O. Box 9849 | | | Birmingham | AL | 35220 | |
| American Society For Public Administration | | 1301 Pennsylvania Ave. | | | Washington | DC | 20004 | |
| American Society Of Civil Engineers | | P.O. Box 79084 | | | Baltimore | MD | 21279-0084 | |
| American Tower Management, LLC | | 116 Huntington Ave. | | | Boston | MA | 02116 | |
| Amerigas | | 815 34th St. N | | | Birmingham | AL | 35222 | |
| Ami Risk Consultants Inc. | | 11410 N Kendall Dr. | | | Miami | FL | 33176 | |
| AMICK SHERRY | | 6213 WHIPPOORWILL DR | | | PINSON | AL | 35126 | |
| AMISON WILLIAM | | 1022 3RD ST W | | | BIRMINGHAM | AL | 35204 | |
| AMMONS JR ROBERT LAWRENCE | | 174 SLEEPY HOLLER CIR | | | CORDOVA | AL | 35550-3522 | |
| AMMONS ROBERT | | 174 SLEEPY HOLLER CIR | | | CORDOVA | AL | 35550 | |
| AMSOL | | 4194 Mendenhall Oaks Pkwy Ste 160 | | | High Point | NC | 27265 | |
| Amsol | | P.O. Box 6633 | | | High Point | NC | 27262 | |
| AMT Medical Staffing | | 2 20th St N Ste 1360 | | | Birmingham | AL | 35203 | |
| ANDERSON JONATHAN | | 2409 HEATHERBROOK RD | | | HOOVER | AL | 35226 | |
| Anderson Kim | StephensLaw FirmLLC Attn Stephens Mark | 1 Perimeter Park S | | | Birmingham | AL | 35243 | |
| ANDERSON WANDA | | 1407 31ST ST ENSLEY | | | BIRMINGHAM | AL | 35218 | |
| Andrea Knight | | 609 Northmoor Ln. | | | Birmingham | AL | 35209 | |
| Andrea M. Ryhanych | | 8309 Periwinkle Place | | | Fairfax Station | VA | 22039 | |
| Andrea Nechelle Daniels | | 1001 1st St Pratt Apt B | | | Birmingham | AL | 35214 | |
| Andrelle Rashanne Bonner | | 1006 2nd St. | | | Birmingham | AL | 35214 | |
| Andrew A. Smith, Jr. | | P.O. Box 56 | | | Shannon | AL | 35142 | |
| Andrew J. Lewis, Jr. | | 1818 Calgray Dr. | | | Bessemer | AL | 35022 | |
| Andrew Jackalene Barnes | Jackalene Barnes Andrews | 5166 Warrior Jasper Rd | | | Dora | AL | 35062 | |
| Andy B. Woodard | | 5604 Bryon Church Rd | | | Dora | AL | 35062 | |
| Angela C. Speights | | 420 Kim Dr | | | Birmingham | AL | 35215 | |
| Angela D. Williams | | 1341 22nd Ave | | | Bessemer | AL | 35020 | |
| Angela Dionne Sanders | | 1509 Princeton Ave SW | | | Birmingham | AL | 35211 | |
| Angela F. Williams | | 1515 6th Ave. S | | | Birmingham | AL | 35233 | |
| Angela Gates | c/o Stephen C. Norris | 10 Old Montgomery Highway | | | Birmingham | AL | 35209 | |
| Angela M. Baker | | 22485 Ridgemont Dr | | | Birmingham | AL | 35244 | |
| Angela Reeves | | 5008 Oak Leaf Cir. | | | Adamsville | AL | 35005 | |
| Angela Thompson | | 129 23rd Terr. NW | | | Centerpoint | AL | 35215 | |
| Angelica Teixeira | | 700 Ocean Royale Way | PH-2 | | Juno Beach | FL | 33408 | |
| Angie Maley & Charles Maley | | 6916 Silver Sage Circle | | | Tampa | FL | 33634 | |
| Anita Bolden | | 1520 32nd St. | | | Birmingham | AL | 35218 | |
| Anita M. Salter | | 200 Saturn Cir. | | | Hueytown | AL | 35023 | |
| Ann Elizabeth Atkinson | | 4115 Heatherhedge Ln | | | Birmingham | AL | 35226 | |
| Ann Myers Redus | | 301 Bethesda Dr | | | Huntsville | AL | 35803 | |
| Ann S. Neeley | | 932 44th St. | | | Birmingham | AL | 35208 | |
| Anna Anderson Trust UTD 1/13/2012 | Anna Anderson | P.O. Box 65476 | | | Tucson | AZ | 85728-5476 | |
| Anna Gossett Parsons | | 100 Higdon Creek Rd. | | | Adger | AL | 35006 | |
| Anna J. Olexy | | 10042 Del Monte Drive | | | Houston | TX | 77042-2432 | |
| Anna M Anthes TTEE Anna M Anthes Rev Liv Trust | Anna M Anthes | 16563 Baxter Forest Ridge | | | Chesterfield | MO | 63005 | |
| Anna Sparks | | 120 2nd Ct. N | | | Birmingham | AL | 35204 | |
| Anne R. Eyster | | 1521 Woodland St SE | | | Decatur | AL | 35601 | |
| Anneen O. Feenker | | 5919 Marchester Cr | | | Pinson | AL | 35126 | |
| Annette G. Cash | | 9080 Par Dr. | | | Douglasville | GA | 30134 | |
| Annette House | | 5851 Carrington Lane | | | Trussville | AL | 35173 | |
| Annette Hutcherson | | 6824 6th Ave. S | | | Birmingham | AL | 35212 | |
| Annette M. Ray | | 2016 Melinda Dr. | | | Birmingham | AL | 35214 | |
| Annie Avery | | 1309 Cotton Ave | | | Birmingham | AL | 35211 | |
| Annie G. Saxon | | 35 Rosewood Lane | | | Ashland | AL | 36251 | |
| Annie L. Adams | | 1725 32nd Pl. N, Apt. F | | | Birmingham | AL | 35234 | |
| Annie R. Ward | c/o Rogderick T. Cooks | Winston Cooks, LLC | 2 20th Street N., Ste. 1300 | | Birmingham | AL | 35203-4056 | |
| Annie Wabbington | | 922 Sharpsburg Cir. | | | Birmingham | AL | 35213 | |
| Anthony J. Rupert | | 1321 Suncrest Rd. | | | Bessemer | AL | 35020 | |
| Anthony James Allen | | 9029 Bel Aire Dr. | | | Birmingham | AL | 35206 | |
| Anthony L. McPherson | | 4753 Gardenia Trce. | | | Mt. Olive | AL | 35117 | |
| Anthony Leon Campbell | | 1409 32nd St. | | | Birmingham | AL | 35218 | |
| Anthony Lydia | | 1025 Hillcrest Dr | | | Bessemer | AL | 35022 | |
| Anthony M. Pendleton | | 1048 Willow Creek Ct. | | | Alabaster | AL | 35007 | |
| Anthony Quinn Johnson | | 1804 Ontario Cr | | | Birmingham | AL | 35022 | |
| Anthony Richardson | | 4501 44th Ave. No. | | | Birmingham | AL | 35217 | |
| Anthony Schultz | | 4912 Haverwood Ln Apt 1015 | | | Dallas | TX | 75287-4423 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|---|---------------------------|-----------------------|----------------|-------|------------|---------|
| Antoinette Dione Hubbard | | 439 Jerry Coleman St | | | Fairfield | AL | 35064-1938 | |
| Antoinette Verhagen | | 9561 Anglers Way | | | Lakeland | FL | 33810 | |
| Antonio A. Payne, Jr. | | 3201 Beech Ave. SW | | | Birmingham | AL | 35221 | |
| Antonio McDonald | | 1122 Florentine Cir Apt C | | | Birmingham | AL | 35215-6833 | |
| Antonio Perry | | 296 Pinewood Ave. | | | Midfield | AL | 35208 | |
| Antonio Washington | | 3614 Norwood Blvd | | | Birmingham | AL | 35234 | |
| Antrice Lashon Walker | | 1510 27th St., Ensley | | | Birmingham | AL | 35218 | |
| Antuan D. Williams | | P.O. Box 202 | | | Docena | AL | 35060 | |
| Aon Consulting | | P.O. Box 905188 | | | Charlotte | NC | 28290-5188 | |
| Apple Development, LLC | Attn Derek L. Weaver | 2921 Cahaba Rd. | | | Birmingham | AL | 35223 | |
| Appraisal Institute | | Appraisal Institute Dept 77-0659 | 200 W. Madison, Ste. 1500 | | Chicago | IL | 60606 | |
| April Lyons Decd | | 1509 F Montclair Rd Apts | | | Birmingham | AL | 35210 | |
| Aquelia Star-Curi Cheatam | | 101 Gardenia Cir. | | | Pleasant Grove | AL | 35127 | |
| Archibald A. Pinder | | 14150 Old Cutler Rd | | | Miami | FL | 33158 | |
| Archibald A. Pinder TR Archibald A Pinder TTEE | Archibald A. Pinder | 14150 Old Cutler Road | | | Miami | FL | 33158 | |
| Archibald A. Pinder Trust | Archibald A. Pinder | 14150 Old Cutler Road | | | Miami | FL | 33158 | |
| Areita Hicks Melvin | | 8603 Franklin Foster Dr | | | Pinson | AL | 35126 | |
| Argeria Simpson | | 317 Fair Oaks Dr. | | | Fairfield | AL | 35064 | |
| Ardean Kimbrough | | 414 Muir Dr | | | Midfield | AL | 35228 | |
| Aries Industries Inc | | 550 Elizabeth Street | | | Waukesha | WI | 53186-4575 | |
| Arjohunteigh Inc. | | P.O. Box 844746 | | | Dallas | TX | 75284-4746 | |
| Arlander A. Stallworth | | 780 Inez King Cir. | | | Birmingham | AL | 35224 | |
| Arlene M. Bean | | 309 Jackson Cir. | | | Gardendale | AL | 35071 | |
| Armantha A. Zellander | | 909 Old Springville Rd. | | | Birmingham | AL | 35215 | |
| Arnold Click | | 4894 6th Ave | | | Mulga | AL | 35118-9217 | |
| Arnold L. Sulton, Jr. Trust | | 275 Robin Dr. | | | Sarasota | FL | 34236 | |
| Array Software | | 540 Meadow St. | | | Agawam | MA | 01001 | |
| Arrow International Inc. | | P.O. Box 60519 | | | Charlotte | NC | 28260 | |
| Artasker Hearn Hayes | | 513 11th St. SW | | | Birmingham | AL | 35211 | |
| Artesia F. Williams | | 325 57 St. | | | Fairfield | AL | 35064 | |
| Arthur H. Gunn, Jr. | | 4120 Woodridge Ln. | | | Pleasant Grove | AL | 35127 | |
| Arthur L. Thieme | | 639 Lakepine Road | | | Abbeville | AL | 36310 | |
| Arthur Moorer | | 4420 Hudson Ave | | | Birmingham | AL | 35207 | |
| Arthur T. Schreckengost | | 571 Villa Vista Blvd | | | Lakeland | FL | 33813 | |
| Arven Ray Page, Jr. (Decd) | | 4218 Redmanhall Rd. | | | Pinson | AL | 35126 | |
| Arvest Bank | Attn Stephanie Cooper | Arvest Asset Management | P.O. Box 1515 | | Lowell | AR | 72745-1515 | |
| Ashleigh J. Billups | | 1825 10th Pl NW | | | Birmingham | AL | 35215 | |
| Ashley B. Cannon Trust, Lisa S. Cannon trustee | Lisa S. Cannon | 2515 Deep Oak Ct. | | | Houston | TX | 77059 | |
| Ashley Furniture Industries, Inc. | c/o Mike Beam | One Ashley Way | | | Arcadia | WI | 54612 | |
| Ashley Lemsky McCary | Office of Senior Citizens Services | 2601 Highland Ave. S | | | Birmingham | AL | 35205 | |
| Ashley McCary Lemsky | | 1419 Edgefield Ln. | | | Hueytown | AL | 35023 | |
| Ashurst LLP | Jack J. Rose | 7 Times Square | | | New York | NY | 10036 | |
| Ashurst LLP | Jack Rose | 7 Times Square | | | New York | NY | 10036 | |
| Associated Grocers of the South, Inc. | | 3600 Vanderbilt Rd. | | | Birmingham | AL | 35217 | |
| Assured Guaranty Corp. | Winston & Strawn LLP | Attn Lawrence A. Larose | 200 Park Avenue | | New York | NY | 10166 | |
| Assured Guaranty Municipal Corp | formerly known as Financial Security Assurance Inc | c o Winston and Strawn LLP | 200 Park Ave | Lawrence A Larose Esq | New York | NY | 10166-4193 | |
| Assured Guaranty Municipal Corp. | Holly Horn | Chief Surveillance Officer - Public Finance | 31 West 52nd Street | | New York | NY | 10019 | |
| Assured Guaranty Municipal Corp. | Winston & Strawn LLP | Attn Lawrence A. Larose | 200 Park Avenue | | New York | NY | 10166 | |
| Assured Guaranty Re Ltd. | Winston & Strawn LLP | Attn Lawrence A. Larose | 200 Park Avenue | | New York | NY | 10166 | |
| Assured Guaranty Re Overseas Ltd. | Winston & Strawn LLP | Attn Lawrence A. Larose | 200 Park Avenue | | New York | NY | 10166 | |
| AT and T | Thuell Scott | 909 Chestnut St Rm 39 N 13 | | | St Louis | MO | 63101-3099 | |
| AT&T | | P.O. Box 105262 | | | Atlanta | GA | 30348-5262 | |
| AT&T Mobility | | P.O. Box 6463 | | | Carol Stream | IL | 60197-6463 | |
| ATC Healthcare Services Inc. | | 25393 Network Pl. | | | Chicago | IL | 60673 | |
| Aten C. Alrey | | P.O. Box 13441 | | | Birmingham | AL | 35202 | |
| Aubrey L. Finley | | 6742 Country Vale Drive | | | Pinson | AL | 35126 | |
| Auburn University | | 2236 Haley Ctr. | | | Auburn | AL | 36849-5225 | |
| Auburn University Career Expo | | 303 Martin Hall | | | Auburn Univ | AL | 35849-5139 | |
| Audie Shields | | 2140 Springdale Rd | | | Bessemer | AL | 35022 | |
| Augmentation Inc. | | 3415 Independence Dr., # 101 | | | Birmingham | AL | 35209 | |
| Aundrea Demetries Jones | | 175 County Rd 312 Lot 16 | | | Cullman | AL | 35057 | |
| Ava Yvonne Floyd | | 213 Stoney Brook Lane | | | Fultondale | AL | 35068 | |
| Averhart Bernice et al | Perry Glenn Shuttlesworth JrShuttlesworth Law Firm | 19 Richard Arrington Jr Blvd N | | | Birmingham | AL | 35203-4103 | |
| AWPCA | | P.O. Box 180476 | | | Mobile | AL | 36618 | |
| B & D Electric Motor Co. | | 2320 4th Ave. S | | | Birmingham | AL | 35233 | |
| B & H Photo-Video | | 420 9th Ave. | | | New York | NY | 10001 | |
| B Braun Medical | | P.O. Box 512382 | | | Philadelphia | PA | 19175-3282 | |
| B R Jones | | 805 Cherrywood Court | | | Odenville | AL | 35120 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|---|-------------------------------------|----------|----------------|-------|------------|---------|
| B. Joseph Cunningham | | 8808 Barto Rd. | | | Adger | AL | 35006 | |
| B. Paul Hirsch | | 506 Baltusrol Circle | | | Garland | TX | 75044 | |
| B.A.S. L.L.P. | Fuad Shunnarah | 413 Vesclub Drive | | | Vestavia Hills | AL | 35216 | |
| B.A.S. L.L.P. | Attn All South Properties, Inc., agent | 200 Citation Ct. | Ste. 100 | | Birmingham | AL | 35209 | |
| B.A.S. L.L.P. | B.A.S. L.L.P. | Fuad Shunnarah | 413 Vesclub Drive | | Vestavia Hills | AL | 35216 | |
| Bains and Terry | Jon B. Terry | 1813 Third Avenue North | | | Bessemer | AL | 35020 | |
| BAISEY DIANE L | | 9040 9TH AVE NORTH | | | BIRMINGHAM | AL | 35206-1219 | |
| Bala G. Luguja | | 652 Idlewild Cir., Apt. C | | | Birmingham | AL | 35205 | |
| Balch & Bingham | | P.O. Box 306 | | | Birmingham | AL | 35201 | |
| Balch & Bingham LLP | Attn J. F. Foster Clark, Esq. | 1901 6th Ave. N | 2600 Regions Harbert Plaza | | Birmingham | AL | 35203-4644 | |
| BALLENGER BRENDA | | 60 BRANCH LN LOT 1 | | | EMPIRE | AL | 35063 | |
| Balizi Sr Clifford J | d b a Valley View Partners | 1165 Gadsden HighwaySuite 101 | | | Birmingham | AL | 35235 | |
| Bama Star LLC | | 11755 Wilshire Blvd | Ste 2450 | | Los Angeles | CA | 90025 | |
| Bank of America NA | David L Eades Esq | c o Moore and Van Allen PLLC | 100 N Tryon St 47th Fl | | Charlotte | NC | 28202 | |
| Bank of America, N.A. | Andrew J. Maidman | 200 Glastonbury Blvd. | CT-2-545-02-06 | | Glastonbury | CT | 06033 | |
| Bank of America, N.A. | Andrew J. Maidman CT-2-545-02-06 | 200 Glastonbury Blvd | | | Glastonbury | CT | 06033 | |
| Bank of New York Mellon | | c o Larry B Childs EsqWaller Lansden Dortch and Davis LLC | | | Birmingham | AL | 35203 | |
| Bank of New York Mellon | c/o Larry B. Childs, Esq. | 1901 Sixth Ave NorthSuite 1400 | | | Birmingham | AL | 35203 | |
| Bank of New York Mellon Trust Co., N.A. | | Waller, Lansden, Dortch & Davis, LLC+ | 1901 Sixth Ave. N, Ste. 1400 | | Newark | NJ | 07195-0445 | |
| Bank of Nova Scotia | James E Spiotto Esq | c o Chapman and Cutler LLP | 111 W Monroe St | | Chicago | IL | 60603 | |
| Bank of Nova Scotia & Lloyds TSB Bank PLC | c/o James E. Spiotto | Chapman & Cutler LL | 111 West Monroe St. | | Chicago | IL | 60603-4080 | |
| Bank of NY Trust Co of FL as trustee | Attn Charles S. Northen, IV | Corporate Trust Division, Financial Ctr | 505 N. 20th St., Ste. 950 | | Birmingham | AL | 35203 | |
| Bank of NY Trust Co. of Florida, N.A. | | 505 20th St. N | | | Birmingham | AL | 35203 | |
| Baptist Medical Center | | P.O. Box 11407 | | | Birmingham | AL | 35246-0206 | |
| Baptist Medical Center-Princeton | | 701 Princeton Avenue Sw | | | Birmingham | AL | 35211-1399 | |
| Barbara A. Bryant | | 808 Greenbriar Rd. | | | Birmingham | AL | 35211 | |
| Barbara A. Gunn | | 3415 Old Gap Rd. | | | Bessemer | AL | 35022 | |
| Barbara A. Musso | | 4743 Scenic Drive | | | Columbus | OH | 43214-2520 | |
| Barbara A. Nash | | 525 Polly Reed Rd. | | | Birmingham | AL | 35215 | |
| Barbara A. Turner | | 2928 Dawson Ave Sw | | | Birmingham | AL | 35211-4506 | |
| Barbara Ann Hunt | | 18683 Remlap Dr | | | Remlap | AL | 35133 | |
| Barbara B. Anderson | | 5787 Heritage Park Dr | | | McCalla | AL | 35111 | |
| Barbara E. Thawley | US Dept.of Justice, Empl Lit Section | Civ Rights Div, Room 4500 | Patrick Henry Bldg, 601 D Street NW | | Washington | DC | 20004 | |
| Barbara F. Lynn | | 203 Bishop Farm Way NW | | | Huntsville | AL | 35806-6003 | |
| Barbara George | | 7001 3rd Ave. S | | | Birmingham | AL | 35206 | |
| Barbara Hopkins | | 1236 Arkadelphia Rd | | | Warrior | AL | 35180 | |
| Barbara J. Chapman | | 182 Mountain Brook Park | | | Birmingham | AL | 35213 | |
| Barbara J. Henry | | P.O. Box 614 | | | Bessemer | AL | 35020 | |
| Barbara J. Stevens, Trustee, Stevens Family 1997 Trust | | 1308 Coronet Way | | | Carson City | NV | 89701 | |
| Barbara Jean Green | | 144 Moonshine Lane | | | Harpers Ferry | WV | 25425 | |
| Barbara Kay Barkley | | 5801 Grey Hill Rd. | | | West Blocton | AL | 35184 | |
| Barbara Kelly Lauderdale | | 27 Forest Cir | | | Warrior | AL | 35180-4206 | |
| Barbara Kindell | | 1828 Mountain Cr | | | Tarrant | AL | 35217 | |
| Barbara L. Salvagio | | P.O. Box 596 | | | Pleasant Grove | AL | 35127 | |
| Barbara McGregory | | 6167 Crest Green Rd | | | Birmingham | AL | 35212 | |
| Barbara Moss Brannum | | 3434 D Sandner Ct | | | Birmingham | AL | 35209 | |
| Barbara Shirley | | 3176 Park Rd. E | | | Pleasant Grove | AL | 35118 | |
| Barbara Snipe | | 712 Nytol Cr | | | Irondale | AL | 35210 | |
| Barbara Yospe | | 13232 Alhambra Lake Circle | | | Delray Beach | FL | 33446-3734 | |
| Barber Dairy | | P.O. Box 60498 | | | Charlotte | NC | 28260-0498 | |
| Barber Donald Joe et al | Donald Joe BarberJoshua Allen Barber | RR40c PO Box 370 | | | Pinson | AL | 35126 | |
| Barclays Bank PLC | Attn Steve Stancarone/Brian Lanktree | 745 7th Avenue | 16 Floor | | New York | NY | 10019 | |
| Barney Joseph Robinson | | 301 Cathedral Pkwy., Apt. 10-G | | | New York City | NY | 10026 | |
| Barry Dale Woodard | | 171 Horne Dr. | | | Pell City | AL | 35128 | |
| Barry E. Jackson | | 5732 Colony Lane | | | Hoover | AL | 35226 | |
| Barry L Bernsen Revocable Trust | | 1501 North State Parkway | Apartment 15A | | Chicago | IL | 60610 | |
| Barry S Gallun & Sharon S Gallun | Barry Gallun | 11812 Dinwiddie Drive | | | Rockville | MD | 20852 | |
| Barry Vaughn Gardner | | 804 Cochise Trail | | | Birmingham | AL | 35214 | |
| Barry W. McAlpine | | 4206 Oak St. | | | Pinson | AL | 35126 | |
| Barry Wayne Polk | | 4964 Autumn Ridge Tr. | | | Pell City | AL | 35128 | |
| BARTON JOSEPHINE | | 826 4TH TERR W | | | BIRMINGHAM | AL | 35204 | |
| Barton Josephine | c o Wendy N Thornton Esq | 300 Richard Arrington Jr Blvd N | Ste 200 | | Birmingham | AL | 35203 | |
| Bas LLP | c o Salem Resha Jr | The Resha Firm | 1516 20th St S Ste A | | Birmingham | AL | 35205 | |
| Basil O Rauch, Jr & Paulette L Rauch JTWROS | Basil Rauch | 505 N Calhoun St | | | Fairbury | IL | 61739 | |
| BATES CHRISTOPHER | | 1485 PARAGON PKWY | | | BIRMINGHAM | AL | 35235 | |
| BAUER JAMES | | 165 DREW AVE | | | MULGA | AL | 35118 | |
| BAUGHN WILLIAM JOSEPH | | 312 W CREST EST | | | HUEYTOWN | AL | 35023-1440 | |
| Baxter R. Clark | | 7309 Pine Tree Ln. | | | Fairfield | AL | 35064 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|---|---|----------|----------------|-------|------------|-----------|
| Bayerische Landesbank | fka Bayerische Landesbank Girozentrale | 560 Lexington Ave 18th Fl | Joseph C Campagna Senior Vice President | | New York | NY | 10022 | |
| Bayerische Landesbank Girozentrale | | 560 Lexington Ave. 18th Fl. | | | New York | NY | 10022 | |
| Bayerische Landesbank, New York branch | Attn Joseph Campagna | 560 Lexington Avenue | | | New York | NY | 10022 | |
| BAYLOR JOHN A | | 115 MEADOWS DR | | | BIRMINGHAM | AL | 35235-2789 | |
| BB&T | Attn Greg Beavers, Mortgage Servicing | Loan Operations | 100 Colonial Bank Blvd. | | Montgomery | AL | 36111 | |
| BBA Developments, LLC | | 651 Main St., Ste. 101 | | | Gardendale | AL | 35071 | |
| BC Technical Inc. | | 7172 S. Airport Rd. | | | West Jordan | UT | 84084 | |
| Bear Stearns Capital Markets Inc. relating to Swap Agreement | Simpson Thacher & Bartlett LLP | Attn Steven M. Fuhrman, Esq and Elisha D. Graff, Esq. | 425 Lexington Avenue | | New York | NY | 10017 | |
| Beatrice T. Pearson | | 1317 17th Ave, East | | | Tuscaloosa | AL | 35404 | |
| Beaver Visitec | | P.O. Box 84837 | | | Boston | MA | 02284 | |
| Beckman Coulter Capital | | P.O. Box 41602 | | | Philadelphia | PA | 19101-1602 | |
| Beers Properties, LLC | | 2100 Data Park Dr., Ste. 400 | | | Birmingham | AL | 35244 | |
| Behavioral Health Concepts | | 305 Calle Villario | | | San Clemente | CA | 92672 | |
| Behavioral Health Systems | | P.O. Box 830724 | | | Birmingham | AL | 35283-0724 | |
| Behzad Aalaei | | 1624 White Oak Circle 2D | | | Munster | IN | 46321 | |
| Believers Temple Church Mission | | 709 North 19th Street | | | Birmingham | AL | 35203 | |
| BELSER MINNIE | | 504 FORESTWOOD DR | | | FORESTDALE | AL | 35214 | |
| Ben F Tharp & Linda M Tharp | | 5929 McGee Thompson Rd | | | Ackerman | MS | 39735 | |
| Benefield Melody | | 700 Habitat Dr | | | Birmingham | AL | 35214 | |
| Benjamin and Tamara Avi- Itzhak | Benjamin Avi-Itzhak | 20 Stoneham Place | | | Metuchen | NJ | 08840 | |
| Benjamin H. Miller (Decd) | | 1430 Dogwood Ln. | | | Hueytown | AL | 35023-4371 | |
| Benjamin Joseph Mangina Jr | | 3314 Cliff Rd S Apt D | | | Birmingham | AL | 35205 | |
| Benjamin L. Sullen | | 5140 Candle Brook Terr. | | | Bessemer | AL | 35022 | |
| Benjamin Levenson Revocable Trust | | 9748a Summerbrook Terrace | | | Boynton Beach | FL | 33437 | |
| Benjamin S. Box | | 214 Lake Forest Way | | | Maylene | AL | 35114 | |
| BENNETT ANDREW | | 100 JEWEL CIR | | | BESSEMER | AL | 35022-3900 | |
| Bernard & Carol Kaplan | | 1081 Bel Aire Drive East | | | Pembroke Pines | FL | 33027 | |
| Bernard Houtman, Trustee of The Houtman Trust | Bernard Houtman, Trustee | 1554 Fitzgerald Road | | | Simi Valley | CA | 93065 | |
| Bernice Averhart | Perry Shuttlesworth | 19 Richard Arrington, Jr. Blvd., North | | | Birmingham | AL | 35203 | |
| Bernice B. Ashford | | 1156 Cir. Tr. | | | Birmingham | AL | 35214 | |
| Bernice Michelle Williams | | 1655 A Lakeshore Ct. | | | Birmingham | AL | 35209 | |
| Bernice Tawana Givan | | 960 Village Mill Rd. | | | Birmingham | AL | 35215 | |
| Bernice Wallace | | 4105 Smithfield Forest Dr. | | | Pleasant Grove | AL | 35127 | |
| Bernth Erik & Catherine G Johansson JT TEN | B & C Johansson | 13 Tone Place | | | Karrinyup | WA | 6018 | Australia |
| Berry J Dye Jr | | 1560 Rainbow Ln | | | Warrior | AL | 35180 | |
| Berryhill Kathy | | 905 Village Mill Rd | | | Birmingham | AL | 35215 | |
| Bert B. Hill, Jr. | | 7076 Pocahontas Rd | | | Bessemer | AL | 35023 | |
| Bert R. Keel | | 291 Jeffs Ln. | | | Talladega | AL | 35160 | |
| Bert R. Keel Decd | | 291 Jeffs Lane | | | Talladega | AL | 35160 | |
| Beryl E. Trawick | | P.O. Box 857 | | | Ponchatoula | LA | 70454 | |
| Bessemer City Board of Education | Attn Superintendent Fred D. Primm, Jr. | 1621 5th Avenue North - P.O. Box 1230 | | | Bessemer | AL | 35020 | |
| Bessemer City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Bessemer Industrial Development Board | | 1913 4th Ave. N | | | Bessemer | AL | 35020-4804 | |
| Bessemer Utilities | | P.O. Box 1246 | | | Bessemer | AL | 35021 | |
| Bessemer Water Service | | P.O. Box 1246 | | | Bessemer | AL | 35021 | |
| Bessie E Ford & April D Carter | | 58 Civitan Road | | | Anniston | AL | 36201 | |
| Bessie J. Lee | | 3025 Parson Ave S.W. | | | Birmingham | AL | 35211 | |
| Bettie Ruth Banks Coleman | | 732 N Montgomery Hwy., #394 | | | Vestavia Hills | AL | 35216 | |
| Betty Barker Estate | C.L. Melenzyer IV, Executor | 3070 Boyce Drive | | | Marietta | GA | 30066 | |
| Betty J. Dickerson | | 605 Coalfire Ave | | | Hueytown | AL | 35023 | |
| Betty J. Medlin | | Rt 1 Box 715 | | | Seagraves | TX | 79359 | |
| Betty J. Shirley | | 3060 Nixon Rd. | | | Bessemer | AL | 35022 | |
| Betty J. Storey | | 818 Knoxville St | | | Birmingham | AL | 35224-2145 | |
| Betty Jo Shelton | | 1 Treetops Ln. #601 | | | Little Rock | AR | 72202-1519 | |
| Betty Jo Shelton Tod | | 1 Treetops Ln. #601 | | | Little Rock | AR | 72202-1519 | |
| Betty L. Waldrop | | 709 Forest View Tr. | | | Birmingham | AL | 35215 | |
| Betty M. Simmons Trust (William C. Simmons TTEE) | William C. Simmons | 6016 Timberly Road South | | | Mobile | AL | 36609 | |
| Betty R. Morrow | | 508 E. Main St | | | Albertville | AL | 35950 | |
| Bettye Fine Collins | | 4076 Crossings Lane | | | Hoover | AL | 35242 | |
| Beveridge Medical Associates Inc | | 6 Highwood Ridge Trail | | | Ormond Beach | FL | 32174 | |
| Beverly Bates | | # 8 68th St. N | | | Birmingham | AL | 35206 | |
| BFW Liquidation LLC | Derek F MeekBurr and Forman LLP | 420 N 20th St Ste 3400 | | | Birmingham | AL | 35203 | |
| BFW Liquidation, LLC | c/o Derek F. Meek | Burr & Forman, LLP | 420 N. 20th St., Ste, 3400 | | Birmingham | AL | 35203 | |
| Bhate Engineering Corp. | | 5217 5th Ave. S | | | Birmingham | AL | 35212 | |
| BI Incorporated | | 6400 Lookout Rd. | | | Boulder | CO | 80301 | |
| Bichler Sylvester & Elizabeth | | 19 Andante Trail Pl | | | Shenendoah | TX | 77381 | |
| Big Communications, Inc. | | 1827 1st Ave. N, Ste. 200 | | | Birmingham | AL | 35203 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|------------------------------------|--|----------|-----------------|-------|------------|---------|
| BILL CHAPMAN | | 1000 COLEMAN DR | | | MCCALLA | AL | 35111 | |
| Bill Franklin | | 615 Dates Cr | | | Bessemer | AL | 35023 | |
| Bill George | c/o L. William Smith | Wiggins, Childs, Quinn & Pantazis | The Kress Building, 301 19th Street N. | | Birmingham | AL | 35203 | |
| Bill Jay Hall, Jr. | | 2601 2nd Place NW | | | Birmingham | AL | 35215 | |
| Billie Belcher | | 69A BMC Dr | | | Centreville | AL | 35042 | |
| Billvia V. Henderson | | 7428 Rome Ave. S | | | Birmingham | AL | 35206 | |
| Billy Andrew Craig | | 3916 38th Ave. N | | | Birmingham | AL | 35217 | |
| Billy G. Robertson | | 105 Convent Rd. NE | | | Cullman | AL | 35055 | |
| Billy J. Gossett | | 4933 Hollow Rd | | | Mulga | AL | 35118-9016 | |
| Billy J. Sadler & Frances F. Sadler | | 220 Heritage Dr. | | | Centre | AL | 35960 | |
| Billy Jack Logan, Jr. | | 13040 Blue Gill Lane | | | Lake View | AL | 35111 | |
| Billy Ray Williams | | 1151 Eagle Dr. | | | Maylene | AL | 35114 | |
| Billy W. Wright | | 1321 Sanford Dr | | | Adamsville | AL | 35005 | |
| Bing IP & Pauline IP | | 8 Ardmore Lane | | | Aberdeen | NJ | 07747 | |
| Biomet Inc. | | 75 Remittance Dr., Ste. 3283 | | | Chicago | IL | 60675-3283 | |
| Bird & Cronin | | 1200 Trapp Rd. | | | Eagan | MN | 55121 | |
| Birmingham Armored Inc. | | 711 Ottawa Dr. | | | Birmingham | AL | 35214 | |
| Birmingham Botanical Gardens | | 2612 Lane Park Rd. | | | Birmingham | AL | 35223-1800 | |
| Birmingham Budweiser Distrib. Co., Inc. | | 141 Industrial Dr. | | | Birmingham | AL | 35211 | |
| Birmingham City Board of Education | Attn Superintendent Craig Witherspoon | 2015 Park Place | | | Birmingham | AL | 35203 | |
| Birmingham City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Birmingham Computer Products | | 2702 19th Street South | | | Homewood | AL | 35209 | |
| Birmingham Fire & Rescue Personnel | | P.O. Box 11324 | | | Birmingham | AL | 35202 | |
| Birmingham Jefferson Civic Center | | 2100 Richard Arrington Jr. Blvd. N | | | Birmingham | AL | 35203-1102 | |
| Birmingham Jefferson Civic Center | Allen W Kniphfer | 2100 Richard Arrington Jr. Blvd. N | | | Birmingham | AL | 35203 | |
| Birmingham Jefferson Civic Ctr | | P.O. Box 13347 | | | Birmingham | AL | 35202 | |
| Birmingham Landmarks, Inc. | | 1817 3rd Ave. N | | | Birmingham | AL | 35203-3101 | |
| Birmingham Large Users Group | | P.O. Box 1943 | | | Birmingham | AL | 35201-1943 | |
| Birmingham Limb & Brace | | 3624 5th Ave. S | | | Birmingham | AL | 35222 | |
| Birmingham Nuclear Pharmacy | | P.O. Box 402126 | | | Atlanta | GA | 30384-2126 | |
| Birmingham Parking Authority | | 1732 5th Ave. N | | | Birmingham | AL | 35203 | |
| Birmingham Regional Ems System | | 1114 16th Street South | | | Birmingham | AL | 35205 | |
| Birmingham Rubber Stamp | | P.O. Box 11083 | | | Birmingham | AL | 35202 | |
| Birmingham Towing & Recovery Inc. | | P.O. Box 610158 | | | Birmingham | AL | 35261 | |
| Birmingham Water & Sewer Board | | P.O. Box 830110 | | | Birmingham | AL | 35283-0110 | |
| Birmingham Water Works and Sewer Board | | P.O. Box 830269 | | | Birmingham | AL | 35283-0269 | |
| BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | | BIRMINGHAM | AL | 35203 | |
| Bite Bite & Marlow | Attn Richard H Bite | 2001 Park Place Tower | Suite 860 | | Birmingham | AL | 35203 | |
| BJC Animal Control Services | | 6227 5th Ave. N | | | Birmingham | AL | 35212 | |
| Blackmon Jerry | | 432 Shelter Wood Circle | | | Pinson | AL | 35126 | |
| BLACKMON LORETTA M | | 1208 HERITAGE WAY | | | BIRMINGHAM | AL | 35211-3863 | |
| Blake McAlpine | | 706 Cherokee Tr. | | | Warrior | AL | 35180 | |
| Blake Turner | | 5850 Hwy. 51 | | | Wilsonville | AL | 35186 | |
| Bloomberg Municipal Repositories | | P.O. Box 840 | | | Princeton | NJ | 08542-0840 | |
| BNSF Railway Co et al | c o J Forrest Hinton EsqBaker Donelson | 420 20th St N Ste 1600 | | | Birmingham | AL | 35203-5202 | |
| BNSF Railway Co. | Bearman Caldwell and Berkowitz | Baker Donelson | 420 20th St. N, Ste. 1600 | | Birmingham | AL | 35203-5202 | |
| Bobbie S. Williams | c/o J. Forrest Hinton, Esq. | 1412 Maralyn Dr | | | Birmingham | AL | 35235 | |
| Bobby B Pakbaz | | 720 Clairborne Street | | | Helena | AL | 35080 | |
| Bobby G & Frances B Horral Trust | | PO Box 403 | | | Mt Carmel | IL | 62863 | |
| Bobby G. Gilliland | | 104 Kenilworth Dr | | | Hueytown | AL | 35023 | |
| Bobby G. Humphryes, Jr. | | 339 Toadvine Rd. | | | Bessemer | AL | 35023 | |
| Bobby Gene Carlisle (Decd) | | 224 Red Oak Rd. | | | Pell City | AL | 35125 | |
| Bobby L. Webber | | 4519 Warrior-Jasper Rd | | | Dora | AL | 35062 | |
| Bobby V. Jackson and Judith F. Jackson | | 1903 Country Club Road | | | Decatur | AL | 35601 | |
| Bonnie Fitzpatrick Keith | c/o Frank Wayne Keith | 15 Southlake Lane | Stw. 150 | | Hoover | AL | 35244-3334 | |
| Boone Sue | | c o Stephen Lee | 16200 Hwy 61 | | Wilsonville | AL | 35186 | |
| BOPTI Federal Credit Union | | 1451 S. Seaside Ave | | | Terminal Island | CA | 90731 | |
| Borkland Properties, Inc. | c/o Walter F. McArdle | Spain & Gillon, LLC | 2117 2nd Ave. N. | | Birmingham | AL | 35203 | |
| Borklund Properties Inc William and Norma Borklund | Walter F McArdleSpain and Gillon LLC | 2117 Second Ave N | | | Birmingham | AL | 35203 | |
| Boshell Kristi | | 1206 Slope Drive | | | Mulga | AL | 35118 | |
| BOWIE SHARON | | 1200 4TH TERRACE W | | | BIRMINGHAM | AL | 35204 | |
| Brad Dickey | | 2805 Astre Lake Road | | | Helena | AL | 35022 | |
| Bradley Andrew Pullen | | 409 Dogwood Ln | | | Sylvan Springs | AL | 35118 | |
| Bradley Arant Boulton Cummings LLP | Attn Patrick Darby | 1819 5th Ave. N | | | Birmingham | AL | 35203 | |
| Bradley Arant Boulton Cummings LLP | James B Bailey | One Federal Place | 1819 Fifth Ave North | | Birmingham | AL | 35203-2119 | |
| BRAKEFIELD TERESA D | | 2271 ASHLEY LN | | | GARDENDALE | AL | 35071-2208 | |
| Brandi Hunter | | 521 Utica Place | | | Birmingham | AL | 35224-1635 | |
| Brandon C. Gray | | 986 Sardis Road | | | Gardendale | AL | 35071 | |
| Brandon D. Gray | | 4330 Church Ln. | | | Birmingham | AL | 35217 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|-----------------------------|-----------------------------------|----------|-------------------|-------|------------|---------|
| Brandon J. Massey | | 5312 Promenade Dr. | | | Trussville | AL | 35173 | |
| Brandon K. Brown | | 12700 Tannehill Pkwy. | | | McCalla | AL | 35111 | |
| Brandon Larry Ledlow | | 1735 Kestwick Cir | | | Hoover | AL | 35226-2347 | |
| Brandon M. Robinson | | 2011 Park Place Dr | | | Moody | AL | 35004 | |
| Brandon M. Simpson | | 819 Lower Coalburg Rd | | | Fultondale | AL | 35068 | |
| Brandon Pendergrass | | 993 Savannah Ln. | | | Calera | AL | 35040 | |
| Breece Charlotte | c o Lee W Loder EsqLoder PC | PO Box 13545 | | | Birmingham | AL | 35202 | |
| Brenda Ann Wilson | | 4657 Hillman Dr | | | Birmingham | AL | 35221 | |
| Brenda Baldwin | | 130 15th Ct. | | | Birmingham | AL | 35204 | |
| Brenda D. Ballenger | | 60 Branch Ln. Lot #1 | | | Empire | AL | 35063 | |
| Brenda L. Vincent | | 3580 Windmill Dr | | | Santa Clara | UT | 84765 | |
| Brenda Morris Bostain | | 2909 Walker St. | | | Fultondale | AL | 35068 | |
| Brenda T. Tidwell | c/o John D. Saxon, Esq. | 2119 3rd Ave. N | | | Birmingham | AL | 35203 | |
| Brendolyn Joyce Rutledge | | 5156 Goldmar Dr | | | Irondale | AL | 35210 | |
| Bretford Inc. | | 11000 Seymour Ave. | | | Franklin Park | IL | 60131 | |
| Brett A. & Selm E. Nann J.T. | | P.O. Box 775928 | | | Steamboat Springs | CO | 80477 | |
| Brett A. Nann | | P.O. Box 775928 | | | Steamboat Springs | CO | 80477 | |
| Brett A. Nann And Selma E. Nann J.T. | | P.O. Box 775928 | | | Steamboat Springs | CO | 80477 | |
| Brian Bender | | 114 Kevin St | | | Smithville | TX | 78957 | |
| Brian Champion | | 10 Leila Dr. | | | Warrior | AL | 35180 | |
| Brian H. Bradley | | 8985 Bradford Trafford Rd. | | | Pinson | AL | 35126 | |
| Brian J. Hassett | | 8401 Lane Cr | | | Leeds | AL | 35094 | |
| Brian K. Webster | | 3066 Webster Dr. | | | Bessemer | AL | 35023 | |
| Brian O. Morrow | | 110 Vickie Dr. | | | Springville | AL | 35146 | |
| Brian S. Martin | | 10 Dove Dr | | | Odenville | AL | 35120-4846 | |
| Bridge Ministries | | P.O. Box 55216 | | | Birmingham | AL | 35255 | |
| Bridget Wynne | | 6300 Harness Way | | | Pinson | AL | 35125 | |
| Bridgete Michelle Smith | | 4839 Fulmar Dr. | | | Birmingham | AL | 35210 | |
| Bright House Networks | | 151 London Pkwy. | | | Birmingham | AL | 35211 | |
| Brigitte Andrews | | 3611 Buck Horn Cove | | | Birmingham | AL | 35242 | |
| Brittany Cimone Goode | | 607 23rd Borth | | | Bessemer | AL | 35020 | |
| Brittany Gregory | | 5149 Leafy Glade Drive | | | Canal Winchester | OH | 43110 | |
| Brittany L. Parmley | | 5209 Cottage Cr | | | Birmingham | AL | 35226 | |
| Brittney Renee Newton | | 2705 4th PI NW | | | Center Point | AL | 35215-1603 | |
| Bronson W. Cole | | 105 Cedar Grove Parkway | | | Maylene | AL | 35114 | |
| Brookwood Pharmaceuticals, Inc. | Attn Dr. Art Tipton, President | 756 Tom Martin Dr. | | | Birmingham | AL | 35211 | |
| BROWN PADDI | | 4605 HIGHGROVE DR | | | BESSEMER | AL | 35022 | |
| BROWN ROBERT | | 704 QUEBEC DR | | | BIRMINGHAM | AL | 35224 | |
| Brown, Roy | | 2241-Tal-Heim Drive | | | Hoover | AL | 35216 | |
| Bruce A. Rizer & Diane E. Rizer Family Trust DTD 1/15/2007 | | 11836 Snowfield Court | | | Traverse City | MI | 49686 | |
| Bruce E. Lewis | | 816 Toadvine Rd. | | | Bessemer | AL | 35023 | |
| Bruce Thompson | | Jefferson County Courthouse | 716 Richard Arrington Jr Blvd N | | Birmingham | AL | 35203 | |
| Brunos Inc. | | 800 Lakeshore Pkwy. | | | Birmingham | AL | 35211 | |
| Bryant Bank | c/o Frank C. Galloway, III, Esq. | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | | Birmingham | AL | 35209 | |
| Bryant Bank | Frank C Galloway III Galloway and Scott LLC | 2200 Woodcrest PI Ste 310 | | | Birmingham | AL | 35209 | |
| BRYANT JOE | | 1816 32ND ST | | | BIRMINGHAM | AL | 35208 | |
| BRYANT SAMMIE | | 408 KERRI DR | | | BIRMINGHAM | AL | 35215 | |
| Bryna Stepak | | 139 Righters Ferry Rd | | | Bala Cynwyd | PA | 19004 | |
| Buffalo Electric Co. | | 801 2nd Ave. N | | | Birmingham | AL | 35203 | |
| Buildings Specialties Co. | | P.O. Box 788 | | | Birmingham | AL | 35201 | |
| Burt S Haskins Rev. Trust U/A 07-17-97 | Burt S. Haskins, TTEE | 3507 Bayshore Blvd | Unit 703 | | Tampa | FL | 33629 | |
| Burton Jimmy | | c o Rpger Burton | 6044 Brookhill Cir | | Birmingham | AL | 35242 | |
| BUSH CARL | | 929 HITCHING POST LN | | | BIRMINGHAM | AL | 35216 | |
| Business Systems & Consultants Inc. | | P.O. Box 360657 | | | Birmingham | AL | 35236 | |
| BYNER ROZZEL | | 1337 PRATT HWY | | | BIRMINGHAM | AL | 35214 | |
| Byrne Medical, Inc. | | 3150 Pollock Dr. | | | Conroe | TX | 77303 | |
| Byron D. Jackson | | 2190 Beatline Rd. | | | Warrior | AL | 35180 | |
| Byron David Jackson | | 2190 Beatline Rd. | | | Warrior | AL | 35180 | |
| Byron K. DeRamus | | 5505 Bridle Way | | | Bessemer | AL | 35022 | |
| C & I Alabama Holdings, Inc. | Attn Jason L. Halsell | 3025 Altadena Woods Dr. | | | Birmingham | AL | 35242 | |
| C Judith Parker | | 1140 Washington Dr | | | Moody | AL | 35004 | |
| Cahaba Tractor Company | | P.O. Box 396 | | | Pelham | AL | 35124 | |
| CAINE ANSEL VINCENT | | 1302 AUTUMN WOOD DR | | | HOOVER | AL | 35216 | |
| CALHOUN JESSIE | | 749 LAMPLIGHTER LIGHTER | | | BIRMINGHAM | AL | 35214 | |
| Calhoun Medical | | 2104 4th Place Ensley | | | Birmingham | AL | 35208 | |
| Calvin C. Haynes | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Calvin Kindall, Jr. | | 820 23rd St SW | | | Birmingham | AL | 35211-3516 | |
| Calvin Smith | | 82 Pine Cir. | | | Reamlap | AL | 35133 | |
| Calvin Tyron Hopkins | | 526 Westchester Dr | | | Bessemer | AL | 35022 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|--------------------------------|--------------|----------|----------------|-------|------------|---------|
| Cameron Lee Harris | | 7609 Robbins Pl. | | | Dora | AL | 35062 | |
| Camisha M. Thomas | | P O Box 751 | | | Birmingham | AL | 35201 | |
| Candice Nicole Bivens | | 2010 Longleaf Dr., Apt. A | | | Hoover | AL | 35216 | |
| CAPLETON WILLIAM | | 918 GLAZE DR | | | BESSEMER | AL | 35023 | |
| Cardon Mary | | c o Joan Jackson | 1601 23rd St | | Gulf Port | MS | 39501 | |
| Carefusion Respiratory Care | | 88253 Expedite Way | | | Chicago | IL | 60695-0001 | |
| Carefusion Solutions LLC | | 25082 Network Place | | | Chicago | IL | 60693 | |
| Carey L. Dunlap | | 16 Chatham Ct | | | Pelham | AL | 35124 | |
| Carl A. Shaneyfelt | | 6422 Telia Dr | | | Pinson | AL | 35126 | |
| Carl D. Benefield | | 508 Willow Lane | | | Trussville | AL | 35173 | |
| Carl D. Thomas | | 501 Fields Ave | | | Brookside | AL | 35036 | |
| Carl Edward Ray, Jr. | | 245 Cardiff St. | | | Graysville | AL | 35073 | |
| Carl H. Endert | | 122 Wet Cat Rd | | | Hayden | AL | 35079 | |
| Carl R. Hallgren and Cheryl A. Hallgren, Jt.Ten. | | 129 South Market Street | | | Mount Joy | PA | 17552-3107 | |
| Carl W. Garmon | | 12404 Hummingbird Way | | | Sellersburg | IN | 47172 | |
| Carla Mica Smith | | 726 Alabama Ave. SW | | | Birmingham | AL | 35211 | |
| Carla Parsons | | 264 Crews Dr. | | | Dora | AL | 35062 | |
| Carlos A. Gonzalez | | 618 Conroy Ln. | | | Sterret | AL | 35147 | |
| Carlos Montez Wooding | | 2100 Francis Ave. S W | | | Birmingham | AL | 35211 | |
| Carlton Avery Crews | | 8150 Susan Dr | | | Dora | AL | 35062 | |
| Carma Leigh Lardent | | 1129 Little John Lane | | | Birmingham | AL | 35235 | |
| Carmen A. Jones | | 543 Woodbridge Trce. | | | Chelsea | AL | 35043 | |
| Carmen L. Givens | | 912 Parkway Dr. | | | Birmingham | AL | 35215 | |
| Carmenlita Thornton | | 1441 Monroe Ave Sw Apt 3 | | | Birmingham | AL | 35211-1894 | |
| Carol A. Fauber | | 5024 Artesia Dr. | | | Kettering | OH | 45440 | |
| Carol Jean Scopinich Carl Wayne Leadaman JT TEN | C. Scopinich & C. Leadaman | 1108 Charleston Ct | | | Keller | TX | 76248 | |
| Carol Possehl | | 2374 Barkridge Ct. | | | Lisle | IL | 60532-2002 | |
| Carol R. Tucker | | 223 Ragsdale Loop Rd | | | Sumiton | AL | 35148 | |
| Carole N. Zembraski | Act #1 | P.O. Box 803 | | | Edenton | NC | 27932 | |
| Carole N. Zembraski | Act #2 | PO Box 803 | | | Edenton | NC | 27932 | |
| Carolyn A. Evans | | 2215 Raintree Ct. | | | Ashland | KY | 41101 | |
| Carolyn A. Harrison-Johnson | | 1409 Red Rock Cir. | | | Pleasant Grove | AL | 35127 | |
| Carolyn A. Lucas | | 1860 Swood Rd | | | Birmingham | AL | 35216 | |
| Carolyn and William Chatham | | 4215 Main St | | | Pinson | AL | 35126 | |
| Carolyn D. Garner | | 924 Decatur Hwy., Apt. 103 | | | Birmingham | AL | 35068 | |
| Carolyn Scott | | 911 7th Ave | | | Midfield | AL | 35228 | |
| Caron Rena Crayton | | 4220 5th Ave. S. Apt. E | | | Birmingham | AL | 35222 | |
| Carrie Foy Bailey Harrington | | 5809 Court N | | | Birmingham | AL | 35228 | |
| CARTER HAROLD D | | 649 EARLINE CIR APT C | | | BIRMINGHAM | AL | 35215-6628 | |
| CARTER WILLIAM | | JEFF COUNTY COURTHOUSE | | | BIRMINGHAM | AL | 35203 | |
| CARVER FELIX | | 729 7TH WAY | | | PLEASANT GROVE | AL | 35127 | |
| Cassandra Cole | c/o Ifediba Law Group, LLC | 1220 16th St. S | | | Birmingham | AL | 35205 | |
| Cascades Sonoco, Inc. | Attn Corey Collins | 170 Cleage Dr., Ste. 100 | | | Birmingham | AL | 35217 | |
| Casey L. Cook | | 4936 15th St. Rd. | | | Hueytown | AL | 35023 | |
| Casey Nicole Beard | | 8510 Old Sardis Rd Lot 125 | | | Morris | AL | 35116 | |
| Casey S. Lenard | | 35 Beech Cir. | | | Warrior | AL | 35180 | |
| Casey Z. Hutchins | | 20585 Hwy. 216 | | | McCalla | AL | 35111 | |
| Cason Kay L Adm Est Kathryn Marie Tinney | Ralph Bohanan JrBohanan and Associates PC | One Perimeter Park S Ste 315 S | | | Birmingham | AL | 35243 | |
| Cassandra Faye Corder | | 1737 Molly Dr. | | | Birmingham | AL | 35235 | |
| Cassandra Hall Reese | | 8205 8th Ave S | | | Birmingham | AL | 35206 | |
| Cassandra R. Ross | | 1619 Avenue J | | | Birmingham | AL | 35218-1332 | |
| Catherine Bolden | | P O Box 3037 | | | Birmingham | AL | 35202 | |
| Catherine C. Morgan | | 245 Narrows Point Ln. | | | Birmingham | AL | 35242 | |
| Catherine Jill Furlong | | 221 N. Adams St | | | Hinsdale | IL | 60521 | |
| Catherine S. Burleson | | 3850 Galleria Woods Drive | Apt 338 | | Birmingham | AL | 35244 | |
| Cathy Edwards Hulsey | | 5436 Carrinton Cr | | | Trussville | AL | 35173 | |
| Cathy J. Eades | | 1225 Boundary St | | | Birmingham | AL | 35242 | |
| CATO LAND and DEVELOPMENT LLC | | 441 HWY 31 N | | | WARROR | AL | 35180 | |
| CCA Financial, LLC | | 7275 Glen Forest Dr. | | | Richmond | VA | 23226 | |
| Cecil Calvert | | 5591 Deans Ferry Rd. | | | Trafford | AL | 35172 | |
| Cecil P. Temple | | 464 37th Terr. W | | | Birmingham | AL | 35207 | |
| Cecilia Barber | | 7050 Harpers Dairy Loop | | | Bessemer | AL | 35022-6838 | |
| Cede & Co. | c/o The Depository Trust & Clearing Corp. | 55 Water St. | | | New York | NY | 10041 | |
| Celestine Pompey | | 116 Woodview Ln | | | Fairfield | AL | 35064 | |
| Celestine Pompey | | 2209 N. Smithfield Ln. | | | Birmingham | AL | 35207 | |
| Center For Governmental Services | | 2236 Haley Center | | | Auburn Univ | AL | 36849-5225 | |
| Central Station Inc | | P.O. Box 610220 | | | Birmingham | AL | 35261-0220 | |
| Centurion Medical Products | | P.O. Box 842816 | | | Boston | MA | 02281-2816 | |
| Century Link | | P.O. Box 4300 | | | Carol Stream | IL | 60197-4300 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|--|--|----------|----------------|-------|------------|---------|
| Ceola Renee Henderson | | 409 Main Street | | | Brookside | AL | 35036 | |
| Ceola S. Wyatt | | 843 Tusculumbia Dr. | | | Birmingham | AL | 35214 | |
| Ceres Environmental Services Inc | Troy Garrett, President | 3825 85th Ave N | | | Brooklyn Park | MN | 55443 | |
| Chad Allinder | | 5625 8th Court South | | | Birmingham | AL | 35212 | |
| Chad King | | 6510 Southern Trace Dr. | | | Leeds | AL | 35094 | |
| Chafin Brooke Rodgers | | 3000 Regent Park Cir | | | Birmingham | AL | 35242-6674 | |
| Chalkville Center LLC | | 1920 Old Springville Rd | | | Birmingham | AL | 35215 | |
| Chalkville LLC | W Cameron ParsonsThe Parsons Firm | 2201 Jack Warner Pkwy Ste 2 | | | Tuscaloosa | AL | 35401 | |
| Chalkville Mountain Rd. Auto Sales | Attn Joe Bailey | 1104 Chalkville Rd. | | | Trussville | AL | 35173 | |
| Chalkville, LLC | c/o W. Cameron Parsons | The Parsons Firm | 2201 Jack Warner Pkwy, Suite 2 | | Tuscaloosa | AL | 35401 | |
| CHANCELLOR CHARLES | | 1313 6TH WAY | | | PLEASANT GROVE | AL | 35127 | |
| Chancellor Charles | Roger K FustonFuston Petway and French LLP | 600 Luckie Dr Ste 300 | | | Birmingham | AL | 35223-2449 | |
| Chandler Lori | | 728 Liberty Lake Dr | | | Birmingham | AL | 35242-7547 | |
| Chandra Robinson Calhoun | | Jefferson County Courthouse | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Channel M. Norris | | 1508 6th PI NW | | | Birmingham | AL | 35215 | |
| Chante K. Crosby | | 3005 Sharpsburg Circle | | | Birmingham | AL | 32513 | |
| Chantel Reeves | c/o Don L. Hall, Esq. | Hall & Tucker, LLC | 1616 3rd Ave. N | | Bessemer | AL | 35020 | |
| Chapman and Cutler LLP | James E. Spiotto, Esq. and Ann Acker, Esq. | 111 West Monroe Street, 18th Floor | | | Chicago | IL | 60603 | |
| Chari S. Chamblin | | 256 Stone Creek Pl. | | | Calera | AL | 35040 | |
| Charity Denise Smith | | 14 Westchester Ct., Apt. 1 | | | Birmingham | AL | 35215 | |
| Charity Garner | c/o Goldberg Attorneys, PC | 505 20th St. N, Ste. 325 | | | Birmingham | AL | 35203 | |
| Charles Allan Hollar | | 1906 North Bay Drive | | | Warsaw | IN | 46580 | |
| Charles B. Williams, Jr. | | 6552 Harness Cr | | | Pinson | AL | 35126 | |
| Charles Ballew | | 6405 North Hills Circle | | | Gardendale | AL | 35071 | |
| Charles Battle | | 2609 6th St. NW | | | Birmingham | AL | 35215 | |
| Charles Chancellor | c/o Roger K. Fuston | Fuston, Petway & French, LLP | 600 Luckie Drive, Ste. 300 | | Birmingham | AL | 35223-2449 | |
| Charles D. Nance | | 4112 Court G | | | Fairfield | AL | 35064 | |
| Charles E. Hosey (Decd) | | 1153 Nichole Lane | | | Bessemer | AL | 35020 | |
| Charles E. Ledbetter | | 902 4th Ave. SW | | | Alabaster | AL | 35007 | |
| Charles E. Schalliol - Municipal Bond holder of Alabama | | | | | | | | |
| Wtr Poltn Ctl Auth | Charles E. Schalliol | 12942 Brighton Ave | | | Carmel | IN | 46032-9668 | |
| Charles E. Wilson | c/o Katherine S. Harrington, Esq. | Hollis & Wright | 505 20th St. N, Ste. 1500 | | Birmingham | AL | 35203 | |
| Charles G. Goolsby | | 641 McClain Rd. | | | Concord | AL | 35023 | |
| Charles Gill | c/o Steven Baker, Southern Law Group | Adm. Ad Litem for Est. of Grace Graham | 2031 Shady Crest Dr. | | Hoover | AL | 35216-5417 | |
| Charles H Vickers Meredith Vickers | | 4836 15th Rd | | | Hueytown | AL | 35023 | |
| Charles Harris | | 2320 1st Ave N Apt 304 | | | Birmingham | AL | 35203-4330 | |
| Charles J White Living Trust | Charles J White | 1620 Mayflower Court Apt A605 | | | Winter Park | FL | 32792 | |
| Charles J. Benson | | 5617 Valleyview Tr. | | | Adamsville | AL | 35005 | |
| Charles J. Colburn | | P.O. Box 718 | | | Sumiton | AL | 35148 | |
| Charles J. Elliott | | 1206 Lane Ave. | | | Fultondale | AL | 35068 | |
| Charles Jackson, III | | 825 Goldencrest Cir. | | | Birmingham | AL | 35209 | |
| Charles L. & Barbara N. Pearson TTEES, Charles L. Pearson Revocable TR dtd 4/03/2007 | Charles & Barbara Pearson | 3363 E 83rd Place | | | Tulsa | OK | 74137-1702 | |
| Charles M. Gordon | | 625 Delta St. S. | | | Birmingham | AL | 35205 | |
| Charles Michael Woods | | 6420 Southern Trace Dr. | | | Leeds | AL | 35094 | |
| Charles N. Roberts | | 770 Hidden Hollow Tr. | | | Bessemer | AL | 35023 | |
| Charles P Bell Jr | | Courthouse, 716 Richard Arrington Jr N | | | Birmingham | AL | 35203 | |
| Charles Poe Realty Co Inc | | 7480 Hwy 75 | | | Pinson | AL | 35126 | |
| Charles R. Covington | | P.O. Box 2475 | | | Sylacauga | AL | 35150 | |
| Charles R. Crowder | | P.O. Box 360125 | | | Birmingham | AL | 35236 | |
| Charles R. Eddings | | 4198 Old Cahaba Pkwy | | | Helena | AL | 35080 | |
| Charles R. Graben | | 2000 Philpot Rd. | | | Hayden | AL | 35079 | |
| Charles R. Sharit | c/o Ronald R. Cook | Smith & Alsbaugh, PC | 1100 Financial Center, 505 N. 20th St. | | Birmingham | AL | 35203-4640 | |
| Charles R. Winston, Jr. | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Charles Schwab for Act 421R | | 2423 E Lincoln Drive | | | Phoenix | AZ | 85016 | |
| Charles Sisco, Sheryl Sisco | | PO Box 65 | | | Springdale | AR | 72765 | |
| Charles T. McPhate | | 238 Jerry Marsh Rd. | | | Cleveland | AL | 35049 | |
| Charles T. Oliver | | 8701 Mandley Vines Rd. | | | Bessemer | AL | 35023 | |
| Charles Traylor | | 100 Tenth Ave S W | | | Birmingham | AL | 35211 | |
| Charles W. Head, Jr. | | 320 Nridge Rd | | | Gardendale | AL | 35071 | |
| Charles W. Hughes | | 4616 Bookout Ln. | | | Quinton | AL | 35130 | |
| Charles W. McCray, Jr. | | 2335 Steiner Ave. SW | | | Birmingham | AL | 35211 | |
| Charles W. Robertson | | 8048 River Ben Rd. | | | Birmingham | AL | 35116 | |
| Charles W. Woods | | 272 Woodhaven Blvd | | | Pinson | AL | 35126 | |
| Charles Wayne Clark | | 221 Old Mill Rd. | | | Jasper | AL | 35504 | |
| Charlie L. Williams, Jr. | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Charlie Richardson | | 14 Candlelight Ln. | | | Irondale | AL | 35210 | |
| Charlotte B. Lackey | | 144 Midway Dr. | | | Hueytown | AL | 35023 | |
| Charlotte Breece | c/o Lee W. Loder, Esq. | Loder, PC | P.O. Box 13545 | | Birmingham | AL | 35202 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|--------------------------------------|------------------------------|------------|----------------|-------|------------|---------|
| Charlotte E.S. Henle | | 2665 Foothill Drive | | | Birmingham | AL | 35226-2377 | |
| Charlotte Teresa | c/o Mary Douglas Hawkins, Esq. | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | | Birmingham | AL | 35209 | |
| Charlotte Westman | | 300 Ocean Trail Way - #702 | | | Jupiter | FL | 33477 | |
| Chasity Lejoyce Gosha Gunn | | 2800 Ave D Apt D | | | Birmingham | AL | 35218 | |
| Chastain Vicky | | 1189 Red Valley Rd | | | Remlap | AL | 35133-4439 | |
| CHELEWSKI JOEL | | 7175 MORRIS CR | | | MCCALLA | AL | 35111 | |
| Cherita Lanae Sims | | 1675 Roswell Rd Apt 718 | | | Marietta | GA | 30062 | |
| Cherry D. Swint | | 1232 Daniel Dr | | | Midfield | AI | 35228 | |
| Cheryl Devetta Blackmon | | 537 6th Ct. | | | Pleasant Grove | AL | 35127 | |
| Cheryl Pennington | c/o Stevan K. Goozee | 1023 Edenton Street | | | Birmingham | AL | 35242-9259 | |
| Cheryl S. Dansby | | 1729 Bobolink Ln. NE | | | Birmingham | AL | 35215 | |
| Chester L. Tate | | 6924 Suburban Terr. | | | Birmingham | AL | 35212 | |
| Chibuike Peter Uiasi | | 1125 10th St. S, Apt. A25 | | | Birmingham | AL | 35205 | |
| Chiquita Maria Smith | | 2856 G. Regal Cir. | | | Hoover | AL | 35216 | |
| Chorba Lee Scholarship Fund Inc | c o Erskine R Mathis Esq | 2107 5th Ave N | | | Birmingham | AL | 35203 | |
| Christal Jenell Montgomery | | 903 Eagan Ln SW | | | Birmingham | AL | 35221-3027 | |
| Christen Claire Risher | | 2233 Larkspur Dr | | | Birmingham | AL | 35226 | |
| Christie S. Guerrero De Luna | | 801 C Oak Leaf Cr | | | Birmingham | AL | 35209 | |
| Christine Dann Trust | | 76 Deep Woods Way | | | Ormond Beach | FL | 32174 | |
| Christopher A. Godber | | 6509 Southern Trace Dr. | | | Leeds | AL | 35094 | |
| Christopher A. Thompson | | 2866 Regal Cir., Apt. C | | | Birmingham | AL | 35216 | |
| Christopher Cotten | | 1433 Railroad Drive | | | Hayden | AL | 35079 | |
| Christopher D. McCombs | | 493 Pine Mountain Rd. | | | Remlap | AL | 35133 | |
| Christopher D. Penrose | | 116 Griffin Dr | | | Helena | AL | 35080 | |
| Christopher E. Peters and Lisa E. Peters | Christopher E. Peters | P.O. Box 701 | | | Montrose | AL | 36559 | |
| Christopher Emden, Esq. | U.S. Department of Justice, Civil Division | 1100 L Street, N.W., Room 10046 | | | Washington | D.C. | 20005 | |
| Christopher Ezem | | 112 10th Ave SW | | | Birmingham | AL | 35211 | |
| Christopher L Cowing | | 1084 Saddle Creek Pkwy | | | Leeds | AL | 35242 | |
| Christopher L Wass & Michelle Wass | | 7403 Starflower Dr. | | | Wausau | WI | 54401 | |
| Christopher Lee Bolden | | 304 Main St. | | | Fultondale | AL | 35068 | |
| Christopher Lee Womack | | 915 1/2 5th Ave. N | | | Bessemer | AL | 35020 | |
| Christopher M. Winter | c/o Duane Morris | 1100 North Market Street, Suite 1200 | | | Wilmington | DE | 19801 | |
| Christopher M. Winter | c/o Duane Morris | 222 Delaware Avenue | Suite 1600 | | Wilmington | DE | 19801-1659 | |
| Christopher Michael McClure | | 278 Old Cahaba Trl | | | Helena | AL | 35080-7048 | |
| Christopher Sims | | 9598 County Road 21 N | | | Winfield | AL | 35594-4049 | |
| Christopher Wedge | | 115 Parkway Avenue #208 | | | Mankato | MN | 56001 | |
| Christopher Womack | | 1661 Fulton Ave. SW | | | Birmingham | AL | 35211 | |
| Cindy M. Whisenant | | 1660 Roberts St. SW | | | Birmingham | AL | 35211 | |
| Cindy S. Vines | | 6209 Letson Farms Tr. | | | Bessemer | AL | 35022 | |
| Cintas-Documnet Management | | P.O. Box 633842 | | | Cincinnati | OH | 45263 | |
| CIT Technology Financing Svcs. Inc. | | 10201 Centurion Pkwy. N, Ste. 100 | | | Jacksonville | FL | 32256 | |
| Citigroup Global Markets Inc. | Glynn Braithwaite | 390 Greenwich Street | | | New York | NY | 10013 | |
| Citigroup Global Markets, Inc. | Glyn Braithwaite | 390 Greenwich St | | | New York | NY | 10014 | |
| City of Adamsville | Pam Palmer, Mayor | 4828 Main St. | | | Adamsville | AL | 35005 | |
| City of Alabaster | | 201 1st Street North | | | Alabaster | AL | 35007 | |
| City of Argo | Paul Jennings, Mayor | 8885 Gadsden Hwy. | | | Argo | AL | 35173 | |
| City of Brighton | Angelo Hinkle, Mayor | 3700 Main St. | | | Brighton | AL | 35020 | |
| City of Brookside | Roger McCondicie, Mayor | 2711 Municipal Ln. | P.O. Box 142 | | Brookside | AL | 35036 | |
| City of Cardiff | | Town Hall | P.O. Box 38 | | Cardiff | AL | 35041 | |
| City of Center Point | | P.O. Box 9847 | | | Center Point | AL | 35215 | |
| City of Clay | | Ed McGuffie, Mayor | P.O. Box 345 | | Clay | AL | 35048 | |
| City of Fairfield | Kenneth Coachman, Mayor | 4701 Gary Ave. | P.O. Drawer 437 | | Fairfield | AL | 35064 | |
| City of Fultondale | Jim Lowery, Mayor | 1210 Walker Chapel Rd. | P.O. Box 699 | | Fultondale | AL | 35068 | |
| City of Gardendale | Othell Phillips, Mayor | 970 Main St. | P.O. Box 889 | | Gardendale | AL | 35071 | |
| City of Graysville | Doug Brewer, Mayor | 246 S Main St. | | | Graysville | AL | 35073 | |
| City of Helena | | P.O. Box 262 | | | Helena | AL | 35080 | |
| City of Homewood | Scott McBrayer, Mayor | 2850 19th St. S | | | Homewood | AL | 35209 | |
| City of Hoover | | 100 Municipal Dr. | | | Hoover | AL | 35216 | |
| City of Hoover - Finance Dept | | P.O. Box 360628 | | | Hoover | AL | 35236-0628 | |
| City of Hoover Parks & Rec. Dept. | | 600 Municipal Dr. | | | Hoover | AL | 35216 | |
| City of Hueytown | Delor Baumann, Mayor | 1318 Hueytown Rd. | P.O. Box 3650 | | Hueytown | AL | 35023 | |
| City of Irondale | Tommy Joe Alexander, Mayor | 101 S 20th St. | | | Irondale | AL | 35210 | |
| City of Kimberly | Ralph Lindsey, Mayor | 9256 Stouts Rd. | P.O. Box 206 | | Kimberly | AL | 35091 | |
| City of Leeds | Eric Patterson, Mayor | 8373 1st Ave. | | | Leeds | AL | 35094 | |
| City of Leeds, Alabama | Jones Walker | C. Ellis Brazeal III | 1819 5th Avenue North | Suite 1100 | Birmingham | AL | 35203 | |
| City of Maytown | | 4509 Town Hall Dr. | | | Maytown | AL | 35118 | |
| City of Morris | Craig Drummonds, Mayor | 8300 Stouts Rd. | P.O. Box 163 | | Morris | AL | 35116 | |
| City of Mountain Brook | Lawrence Terry Oden, Mayor | 56 Church St. | | | Mountain Brook | AL | 35213 | |
| City of Mulga | Dennis McCrary, Mayor | 505 Mulga Loop Rd. | P.O. Box 549 | | Mulga | AL | 35118 | |
| City of North Johns | | Town Hall | P.O. Box 156 | | North Johns | AL | 35006 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|--------------------------------|------------------------|----------------|------------------|-------|------------|---------|
| City of Pelham Fire Dept | | P.O. Box 1419 | | | Pelham | AL | 35124 | |
| City of Pinson | | 4110 Main St. | | | Pinson | AL | 35126 | |
| City of Pleasant Grove | Jerry Brasseale, Mayor | 501 Park Rd. | | | Pleasant Grove | AL | 35127 | |
| City of Saraland, Alabama | | 7787 Celeste Road | | | Saraland | AL | 36571 | |
| City of Sylvan Springs | | 300 Town Hall Dr. | | | Sylvan Springs | AL | 35118 | |
| City of Tarrant | c/o Barry A. Ragsdale | Sirote & Permitt, PC | 2311 Highland Ave. S. | P.O. Box 55727 | Birmingham | AL | 35205 | |
| City of Tarrant | Loxcil Tuck, Mayor | 1604 Pinson Valley Pkwy. | | | Tarrant | AL | 35217 | |
| City of Tarrant Alabama | Barry A RagsdaleSirote and Permutt PC | PO Box 55727 | 2311 Highland Ave S | | Birmingham | AL | 35205 | |
| City of Trafford | Robert E. Niblett | 9239 E. Commercial Ave. | | | Trafford | AL | 35172 | |
| City of Trussville | Eugene A. Melton, Mayor | 131 Main St. | P.O. Box 159 | | Trussville | AL | 35173 | |
| City of Vestavia Hills | Alberto Zaragoza, Mayor | 513 Montgomery Hwy. | | | Vestavia Hills | AL | 35216 | |
| City of Warrior | Rena Hudson, Mayor | 215 Main St. | | | Warrior | AL | 35180 | |
| City of West Jefferson | | 7076 W Jefferson Rd. | | | Quinton | AL | 35130-9479 | |
| City of Woodstock | Ricky Kornegay, Mayor | 28513 Hwy. 5 | | | Woodstock | AL | 35188 | |
| CIVCO Medical Solutions | | P.O. Box 933598 | | | Atlanta | GA | 31193-3598 | |
| Clare E. Wilcox | Clare Wilcox | 35 Meredith Rd. | | | Piscataway | NJ | 08854 | |
| Clarence & Virginia Gaub Trust U/A DTD 2/16/93 | | | | | | | | |
| Clarence Gaub TTEE | | 17469 Hazelnut Ridge Rd NE | | | Silverton | OR | 97381-9730 | |
| Clarence & Virginia Gaub Trust U/A DTD 2/16/93 | | | | | | | | |
| Clarence Gaub TTEE | Western International Sec. Inc | 1675 SW Marlow Ave Ste 306 | | | Portland | OR | 97225 | |
| Clarence Albright, III | | 111 Aspen Dr., Apt. 203 | | | Birmingham | AL | 35209 | |
| Clarence E. Heiser | | Unit 206 | 28313 Redondo Way S. | | Des Moines | WA | 98198-8261 | |
| Clarence Gaub Trust | Clarence Gaub | 17469 Hazelnut Ridge Rd NE | | | Silverton | OR | 97381 | |
| Clarence Heiser | | 28313 Redondo Way S. #206 | | | Des Moines | WA | 98198 | |
| Clarence J. Youngblood | | 1029 Grand Oak Cir. | | | Birmingham | AL | 35064 | |
| Clarence S. Moore | | 144 Merrimon Rd | | | Hueytown | AL | 35023 | |
| Clarence Townsend | | 1529 Berkley Ave | | | Bessemer | AL | 35020 | |
| Clark Associates | | P.O. Box 1254 | | | Huntsville | AL | 35807 | |
| Clark D. Cooper | | 2712 Dogwood Ln. | | | Moody | AL | 35004 | |
| Clark O. Nicholson Trust | Clark O. Nicholson Trust, Linda K. Nicholson Trustee | 122 Beech Tree Lane | | | Centreville | MD | 21617 | |
| Claude E. Sparks | | PO Box 10076 | | | Huntsville | AL | 35801 | |
| CLAY EVANGELINE | | 2352 3RD WAY NE | | | BIRMINGHAM | AL | 35211 | |
| Clay-Chalkville Animal Clinic | | 6415 Old Springville Rd | | | Pinson | AL | 35126 | |
| CLE Alabama | | P.O. Box 870384 | | | Tuscaloosa | AL | 35487 | |
| Cleveland Moore | | 609 Shadowwood Lane | | | Birmingham | AL | 35214 | |
| Clifford J. Balzi, Sr. | | 1165 Gadsden Hwy., Ste. 101 | | | Birmingham | AL | 35235 | |
| Clifford K. Olson Joni R. Olson | | 7210 3rd Ave. East | | | Williston | ND | 58801 | |
| Clifford W. Keeton | | 246 McGough Blvd | | | Florence | AL | 35630 | |
| Clyde Alan Stanfield and Barbara H. Stanfield | Mr. & Mrs. Alan Stanfield | 1296 Greystone Parc Dr | | | Birmingham | AL | 35242 | |
| Clyde Rockoff | Clyde Rockoff 1106-S | 1500 S. Ocean Blvd | | | Boca Raton | FL | 33432 | |
| Cody L. Bagwell | | 22128 Bagwell Rd | | | Berry | AL | 35546 | |
| COFIELD WILLIAM | | 3002 HIGHLAND DR | | | BIRMINGHAM | AL | 35224 | |
| COLE JOHNNY | | 5105 18TH ST S | | | LIPSCOMB | AL | 35202 | |
| Cole Johnny | c o Robert W Hensley Jr Esq | 242 W Valley Ave Ste 210 | | | Birmingham | AL | 35209 | |
| Colleen S. Willis | | 6 80th St S Apt A | | | Birmingham | AL | 35206 | |
| Colleen S. Willis | | 720 84th Pl. S | | | Birmingham | AL | 35206 | |
| Colonial Bank | Greg Beavers Mortgage Servicing | Loan Operations | 100 Colonial Bank Blvd | | Montgomery | AL | 36111 | |
| Coloplast Corp | | Department CH 19024 | | | Palatine | IL | 60055-9024 | |
| Comfort Osei-Wusu | | 8858 Tamar Drive #301 | | | Columbia | MD | 21045 | |
| Commercial Services Inc | | 2465 St John Bluff Rd So | | | Jacksonville | FL | 32246 | |
| Community Bank | | P.O. Box 370 | | | Oneonta | AL | 35121 | |
| Compass Bank | | 15 S 20th St. | | | Birmingham | AL | 35233 | |
| Computer Products & Supplies | | 975 Nimco Dr., Unit C | | | Crystal Lake | IL | 60014 | |
| Conmed Corp | | P.O. Box 6814 | | | New York | NY | 10249-6814 | |
| Conmed Linvatec | | P.O. Box 201498 | | | Houston | TX | 77216-1498 | |
| Connie Holyfield Strickland | | 9521 East Pointe Cir. | | | Birmingham | AL | 35217 | |
| Connie Jocelyn Crawford Rahn | | 226 Lake Point Drive | | | Gadsden | AL | 35901 | |
| Consolidated Pipe & Supply | | Dept 3147 | P.O. Box 2153 | | Birmingham | AL | 35287-3147 | |
| Consuella Bland | | 5524 Norway Ave | | | McDonalds Chapel | AL | 35224 | |
| Continuity Health Care Inc. | | 4212 Carmichael Rd. | | | Montgomery | AL | 36177-7340 | |
| Cook Medical | | 22988 Network Pl. | | | Chicago | IL | 60673-1229 | |
| COOPER JEFFERY | | 2895 TORRENCE RD | | | WARRIOR | AL | 35180 | |
| COOPER JUNE | | 1532 MAPLE AVE SW | | | BIRMINGHAM | AL | 35211 | |
| Cooper Shattuck, Esq. | State of Alabama Office of the Governor | State Capitol, Room N-104 | 600 Dexter Ave. | | Montgomery | AL | 36130 | |
| Cooper Wright | | 848 Twin Lake Dr. | | | Birmingham | AL | 35215 | |
| Cora Smith | | 5725 Brookmere Lane | | | Portsmouth | VA | 23703 | |
| Corey Jonte Davis | | 2337 22nd St. | | | Birmingham | AL | 35211 | |
| COSTWALDS DEVELOPMENT LTD | | STE 2300 820 SHADES CREEK PKWY | | | BIRMINGHAM | AL | 35209 | |
| COTTINGHAM ANGELA | | 5162 YORKSHIRE DR | | | PINSON | AL | 35126 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|---|-------------------------------|--|----------|------------------|-------|------------|---------|
| Courtland Winston | | 907 Rime Village | | | Hoover | AL | 35216 | |
| Courtney A. Bowers | | 7663 Cottonridge Rd | | | Trussville | AL | 35173 | |
| Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C. | Jerry M. Ellis | Country Club Office Centre | 39395 West Twelve Mile Road, Suite 200 | | Farmington Hills | MI | 48331 | |
| Cowin Equipment Co Inc | | P.O. Box 10624 | | | Birmingham | AL | 35202 | |
| Coy L. & Carolyn A. Parker | | 6305 Sonora Dr | | | Granbury | TX | 76049 | |
| Coy L. Parker & Carolyn A. Parker | Coy L. Parker | 6305 Sonora Dr. | | | Granbury | TX | 76049 | |
| Coyett Boykin | | 691 Waterford Ln. | | | Calera | AL | 35040 | |
| Cozzi Jeffrey | on behalf of Ruby Cozzi Decc o Steven Baker | Nursing Home Law Group | 2031 Shady Crest Dr | | Hoover | AL | 35216 | |
| Craig Anders Grube Revocable Trust Dated 3/5/10 | Craig A. Grube | 844 S. Atlantic Ave | | | Virginia Beach | VA | 23451 | |
| Craig E. Cina & Patricia A. Cina, JT TEN | | 20849 N Mishawakashores Dr | | | Grand Rapids | MN | 55744 | |
| Craig E. Cina, Patricia A. Cina, JT TEN TOD | | 20849 N. Mishawaka Shores Dr. | | | Grand Rapids | MN | 55744 | |
| Craig L. Sparks | | 75 Miriah Dr | | | Hayden | AL | 35079 | |
| Craig Samuels | | 13990 Rancho Dorado Blvd | | | San Diego | CA | 92130 | |
| Crane Works Inc. | | P.O. Box 13065 | | | Birmingham | AL | 35202 | |
| Cravath, Swaine & Moore LLP | Managing Attorney | Worldwide Plaza | 825 Eighth Ave. | | New York | NY | 10019 | |
| Creative Directions | | 5501 Lake Cyrus Ln. | | | Hoover | AL | 35244 | |
| Creative Wellness | | 1116 23rd St. S | | | Birmingham | AL | 35205 | |
| Critical Care Transport | | 1516 5th Ave S. | | | Birmingham | AL | 35233-1615 | |
| CROWELL HOPE KIMBERLY P | | 5221 CHESTNUT LANE | | | PINSON | AL | 35126-3669 | |
| Crown Castle International | | 2100 Southbridge Pkwy. | | | Birmingham | AL | 35209-1302 | |
| Crown Castle South LLC | | P.O. Box 203112 | | | Houston | TX | 77216-3112 | |
| Crozier Medical Inc. | | 401 Pinagate Rd. | | | Peachtree City | GA | 30269 | |
| Crystal E. Robinson | | 4220 5th Ct. No. | | | Birmingham | AL | 35222 | |
| Crystal Smith | | 98 Mountian View Ct | | | Millbrook | AL | 36054-2150 | |
| CSX Transportation | Vickje J. Friedman | 500 Water Street | | | Jacksonville | FL | 32202 | |
| CSX Transportation Inc | J Forrest Hinton JrBaker Donelson Bearman | | | | Birmingham | AL | 35203-5202 | |
| CSX Transportation, Inc. | Caldwell and Berkowitz | 420 20th St N Ste 1600 | | | Birmingham | AL | 35203-5202 | |
| CSX Transportation, Inc. | c/o J. Forrest Hinton, Jr. | Baker Donelson | 420 20th Street N., Ste. 1600 | | Birmingham | AL | 35203-5202 | |
| Cullman-Jefferson Gas District | CSX Transportation | Vickje J. Friedman | 500 Water Street | | Jacksonville | FL | 32202 | |
| Cummins Mid-South LLC | | P.O. Box 399 | | | Cullman | AL | 35055 | |
| Curtis D. Ryan | | P.O. Box 842316 | | | Dallas | TX | 75284-2316 | |
| Custom Camera Collection | | 4621 Park Ave. SW | | | Birmingham | AL | 35221 | |
| CW21 WTTTO | | 172-2 Imboden Drive | | | Winchester | VA | 22603 | |
| Cynthia Ann Blevins-Bryant | | 651 Beacon Pkwy. W, Ste. 105 | | | Birmingham | AL | 35209 | |
| Cynthia D. Parker | | 4355 44th Ave N | | | Birmingham | AL | 35217 | |
| Cynthia Lou Waltenburg | | 5175 Sapphire Ridge | | | Hoover | AL | 35244 | |
| Cynthia McKinney Mobley | | 909 Riverchase Pkwy. | | | Hoover | AL | 35244 | |
| Cynthia P Raulston | | 1761 Imperial Dr. | | | Birmingham | AL | 35211 | |
| Cynthia Pettiford | | 4501 Brookforest Lane | | | Birmingham | AL | 35210 | |
| Cynthia R. Thompson | | 1017 Egret Dr. | | | Birmingham | AL | 35214 | |
| Cynthia S.Thomas | | 1512 Cherry Ave. | | | Birmingham | AL | 35214 | |
| Cyrita T. Glover | | 6323 Warrior River Rd | | | Hueytown | AL | 35023-4362 | |
| D Mark Hardison | | 1501 7th Street NW | | | Birmingham | AL | 35215 | |
| D R E A M Inc. | | 3900 Crosshaven Dr | | | Cahaba Heights | AL | 35243 | |
| D Scott & Mary G Millhouse | | P.O. Box 5540 | | | Birmingham | AL | 35207 | |
| D. Bruce Drees | | 234 Metaire Lane | | | Madison | AL | 35758 | |
| D. Dwight Graves | | 402 Long Mountain Dr. | | | Burnet | TX | 78611 | |
| Daketha Fancher | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Dale A. Smith | | 1515 6th Ave. S | | | Birmingham | AL | 35233 | |
| Dalton T. Moss | | 1766 Mtn. Lake Rd. | | | Warrior | AL | 35180 | |
| Damon Stanley ONeil | | 512 Peach Orchard Dr. | | | Browns Summit | NC | 27214 | |
| Damon Wright (Wright-Jones Trust) | Damon Wright | 2806Edgewood Lane | | | Colleyville | TX | 76034 | |
| Damon Wright Trustee (Wright-Jones Trust) | Damon Wright | 315 Avenida Cerritos | | | Newport Beach | CA | 92660 | |
| Dan C. King, III | | 315 Avenida Cerritos | | | Newport Beach | CA | 92660 | |
| Dan Harry Harland | | 7532 Lupre Dr. | | | McCalla | AL | 35111 | |
| Dan Weinrib | | 3022 Hunters Run | | | Gardendale | AL | 35071 | |
| Dana R. Merchant | | 617 Warwick Rd | | | Homewood | AL | 35209 | |
| Dana R. Merchant Sr | | 1020 Shelton St. | | | Birmingham | AL | 35215 | |
| Daneesa A. Lee (Decd) | | 1101 Nwood Dr | | | Birmingham | AL | 35217 | |
| Daniel A. Johnston | | 1636 60th St. W | | | Birmingham | AL | 35228 | |
| Daniel A. Kearns | | 172 Shore Front Ln | | | Wilsonville | AL | 35186 | |
| Daniel A. Oden | | 1151 16th Ave. S | | | Birmingham | AL | 35222 | |
| Daniel Billings | | 126 5th Ave. | | | Mulga | AL | 35118 | |
| Daniel Cade, III | | 265 Payne Rd. | | | Empire | AL | 35063 | |
| Daniel E. Campo TTEE | | 817 3rd Terr. Cir. | | | Pleasant Grove | AL | 35127 | |
| Daniel Ehrman | Lehman Brothers Holdings Inc | P.O. Box 2410 | | | Brandon | FL | 33509-2410 | |
| Daniel F. Bryars | | 1271 Avenue of the Americas | | | New York | NY | 10020 | |
| Daniel F. Hallmark | | 3630 Mountain View Rd | | | Odenville | AL | 35120-6312 | |
| Daniel G. Reynolds | | 1244 Fincher Rd. | | | Pell City | AL | 35128 | |
| | | P.O. Box 771 | | | Pinson | AL | 35126 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--------------------------------------|-------------------------|------------------------------------|---------------------------------------|----------|----------------|-------|------------|---------|
| Daniel James Block Laura Ilene Block | | P.O. Box 163 | | | Blue Springs | MD | 64013 | |
| Daniel James Block Laura Ilene Block | | P.O. Box 163 | | | Blue Springs | MO | 64013-0163 | |
| Daniel James Block Laura Ilene Block | | PO Box 163 | | | Blue Springs | MO | 64013 | |
| Daniel Kemp | | 452 NE 30th St | | | Miami | FL | 33137 | |
| Daniel L. Peoples | | 3017 Panorama East Apt H | | | Birmingham | AL | 35215 | |
| Daniel M. Albert & Eleanor Albert | | 1106 Wellesley Road | | | Madison | WI | 53705 | |
| Daniel Payne College, Inc. Clinic | | 2101 Daniel Payne Dr., Bldg. #2 | | | Birmingham | AL | 35214 | |
| Daniel R Smith & Mary Anne Smith | | 214 Gail Street | | | Prattville | AL | 36066 | |
| Daniel Scott Baker | | 109 Maple Trace | | | Hoover | AL | 35244 | |
| Daniel T. Blankenship | | 1720 Molly Drive | | | Birmingham | AL | 35235 | |
| Daniel Tipton | | 35 Highlander Way | | | Odenville | AL | 35120 | |
| Daniel W. Watson (Decd) | | 852 Brad Dr. | | | Birmingham | AL | 35235 | |
| Daniel Whidby | | 4225 Sierra Way | | | Gardendale | AL | 35071 | |
| Daniel Woods | | 1540 17th Way SW | | | Birmingham | AL | 35211 | |
| Dannis E. Drummonds, Jr. | | 1817 Red Oak Place | | | Hoover | AL | 35244 | |
| Danny A. Panos | | 7509 Surrey Ln. | | | Trussville | AL | 35173 | |
| Danny Dee Travis | | 535 Smokerise Lane | | | Warrior | AL | 35180 | |
| Danny H. Hampton | | 1967 Cherry Ave | | | Birmingham | AL | 35214 | |
| Danny J. Barrett | | 4417 Edith Avenue | | | Dora | AL | 35062 | |
| Danny Lee Humphrey | | 832 Mt. View Rd. | | | Cordova | AL | 35550 | |
| Danny M. Murrah | | 7730 Lake in the Woods Rd. | | | Trussville | AL | 35173 | |
| Danny R. Bankhead | | P.O. Box 425 | | | Parrish | AL | 35580 | |
| Daphne A. McCall | | 202 Garden View Ln. | | | Hoover | AL | 35244 | |
| Daphne Polk | | 154 Sunburst Cir. | | | Birmingham | AL | 35215 | |
| Darius Allen Davis | | 920 Tammy Ann Dr | | | Birmingham | AL | 35235 | |
| Darius Andre Alexander | | 1400 Cambridge Blvd. | | | Fairfield | AL | 35064 | |
| Darius Hollifield | | 1508 Hendrix Dr. | | | Birmingham | AL | 35214 | |
| Darlene Denita Jones | | 941 T St | | | Birmingham | AL | 35235-2530 | |
| Darrell Baggett | | 7870 Bradford Rd | | | Pinson | AL | 35126 | |
| Darrell Jerome Jackson | | 2034 Center Way S | | | Birmingham | AL | 35205 | |
| Darrell L. Logan | | P.O. Box 170334 | | | Arlington | TX | 76003 | |
| Darren L. Hardy | | 809 Oakleaf Cir., Apt. C | | | Birmingham | AL | 35209 | |
| Darryl Craig | | 511 16th Pl. SW | | | Birmingham | AL | 35211 | |
| Darryl Turner Williams | | 201 Beacon Parkway | | | Birmingham | AL | 35209 | |
| Dartonyan Maurice Jennings | | 1149 15th Way SW | | | Birmingham | AL | 35211 | |
| Darwin Select Insurance Co | | 9 Farm Springs Road | | | Farmington | CT | 06032 | |
| Daryl Gene Sanders | | 3750 Gobblers Knob Rd. | | | Warrior | AL | 35180 | |
| Dave B. Lively | | 316 25th Ave N.W. | | | Birmingham | AL | 35215 | |
| David & Associates, P.C. | Attorneys At Law | 2213 Morris Avenue, Suite 200 | | | Birmingham | AL | 35203 | |
| David & Carol A. Wright | | 631 Whispering Springs Dr | | | Fond Du Lac | WI | 54937 | |
| David A. Skier Childrens Trust | David A. Skier, Trustee | 3912 Seven Bark Circle | | | Birmingham | AL | 35243 | |
| David A. Skier MD | | 3912 Seven Bark Circle | | | Birmingham | AL | 35243 | |
| David A. Turner | | 4403 Cabbage Drive | | | Knoxville | TN | 37938 | |
| David Allan Sokira | | 1265 Sardis Rd. | | | Gardendale | AL | 35071 | |
| David C. Cornelius | | 1117 Eric Drive | | | Harrisburg | PA | 17110-2810 | |
| David C. Davis | | 1701 Redhill School Rd | | | Empire | AL | 35063 | |
| David Carrington, President | | 716 Richard Arrington Jr. Blvd. N | Room 230, Jefferson County Courthouse | | Birmingham | AL | 35203 | |
| David Curry | | PO Box 1509 | | | Norman | OK | 73080-1509 | |
| David D. Gantt | | 2831 Arrowhead Dr. | | | Birmingham | AL | 35215 | |
| David D. Wester | | 2350 Co Hwy 42 | | | Oneonta | AL | 35121 | |
| David Denard | | 716 Richard Arrington Jr N | Jefferson County Courthouse | | Birmingham | AL | 35203 | |
| David E. & Kathleen A Creamer | David E. Creamer | 120 Gibraltar Rd, Ste 315 | | | Horsham | PA | 19044-2350 | |
| David E. Butler | | 6896 Garrett Rd | | | Gardendale | AL | 35071 | |
| David E. Sellers | | 9165 Taylor Ferry Rd | | | Bessemer | AL | 35023 | |
| David G & Barbara J Wurfel | | 355 W Mesquite Blvd D30-151 | | | Mesquite | NV | 89027 | |
| David H. Agee | | 1617 Celinda Ln | | | Birmingham | AL | 35235 | |
| David J. Parrish | | 204 14th Ct. NW | | | Birmingham | AL | 35215 | |
| David Keith Butler | | 9612 Meadow Ridge Pkwy. | | | Kimberly | AL | 35091 | |
| David L Willoughby | | A300 716 Richard Arrington Jr Blvd | | | Birmingham | AL | 35203 | |
| David L. Smalley | | 205 East Edgewood Dr | | | Homewood | AL | 35209 | |
| David Lee Weir | | 7772 John Pelham Tr. | | | McCalla | AL | 35111 | |
| David Louis Laske | | 6951 Cleveland St | | | Niles | IL | 60714-2605 | |
| David M. Deneweth and Anna E. Dolak | | 11390 Nth Mountain Breeze Dr | | | Oro Valley | AZ | 85737 | |
| David M. Gallaspy | | 520 Willow Ln. | | | Trussville | AL | 35173 | |
| David M.Waters | | 520 Magnolia Cr | | | Warrior | AL | 35180 | |
| David McCool | | 5636 Lynne Dr. | | | McCalla | AL | 35111 | |
| David Michael Cobb | | 11522 Highview Ave | | | Silver Springs | MD | 20902-2347 | |
| David Michaels | | 2255 Pine Crest Circle | | | Birmingham | AL | 35216 | |
| David N. Shamblin | | 5701 Greenleaf Way | | | Bessemer | AL | 35020 | |
| David O. Lee | | 499 Pineywood Rd. | | | Gardendale | AL | 35071 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|---|-------------------------------|---------------------------------|----------|----------------|-------|------------|---------|
| David Perry, Esq., Finance Director | State of Alabama Office of the Governor | State Capitol, Room N-104 | 600 Dexter Ave. | | Montgomery | AL | 36130 | |
| David R. Holcomb | | 270 Horchler Cir. | | | Hayden | AL | 35079 | |
| David Swanson | c/o Henry J. Walker, Jr., Esq. | 2330 Highland Ave. | | | Birmingham | AL | 35205 | |
| David T. Means | | 3004 33rd Pl. N | | | Birmingham | AL | 35207 | |
| David Thompson | | 8342 Bagley Road | | | Dora | AL | 35062 | |
| David V. Blue | | 8371 Hwy. 13 | P.O. Box 281 | | Helena | AL | 35080 | |
| David W. Yaeger & Jean M. Yaeger | David W. Yaeger | 9706 S. Quebec Ave | | | Tulsa | OK | 74137-4819 | |
| Davis & Associates, P.C. | Attorneys at Law | 2213 Morris Avenue, Suite 200 | | | Birmingham | AL | 35203 | |
| DAVIS NAKIA | | 2533 6TH ST NE | | | BIRMINGHAM | AL | 35215 | |
| Dawson Associates | | P.O. Box 846 | | | Lawrenceville | GA | 30046 | |
| Daxa Deviprasad Bhatt | | 9419 SW 227th Ln | | | Cutler Bay | FL | 33190 | |
| DBI, Inc. | Attn Mr. Jack R. Davis | 2928 6th Ave. S, Ste. C | | | Birmingham | AL | 35233 | |
| Deann Blankenship | | 6808 Java Ave. | | | Birmingham | AL | 35224 | |
| Dearilo Vontest Arnold | | 311 Beacon Crest Ln Apt 6 | | | Birmingham | AL | 35209-5033 | |
| Deatrice Y. Askew-Cade | | 817 3rd Terr. Cir. | | | Pleasant Grove | AL | 35127 | |
| Debbie D. Perryman | | 1100 Milstead Rd Apt 1 | | | Fairfield | AL | 35064 | |
| Deborah A. Francis | | 5226 N. Neenah Ave | | | Chicago | IL | 60656 | |
| Deborah Arrington Scales | | 710 Patton Chapel Way | | | Hoover | AL | 35226 | |
| Deborah J. Williams | | 933 4th Terr. W | | | Birmingham | AL | 35204 | |
| Deborah Kelley | | 757 81st Pl. S | | | Birmingham | AL | 35206 | |
| Deborah L. Guy | | 7889 Bluff Ridge Rd. | | | Bessemer | AL | 35022 | |
| Deborah Pressley | | 1515 6th Ave. S | | | Birmingham | AL | 35233 | |
| Deborah W. Dillard | | 1413 Paragon Pkwy. | | | Birmingham | AL | 35235 | |
| Deborah Walker, DNP, CRNP, AOCN | | 2752 Milner Court South | | | Birmingham | AL | 35205 | |
| Debra Ann Kynard | | 2723 7th Ave. N | | | Bessemer | AL | 35020 | |
| Debra Brown | | 6504 Osceola Cir. | | | Fairfield | AL | 35064 | |
| Debra Elaine Ashford | | 7837 Rugby Ct. | | | Birmingham | AL | 35206 | |
| Debra L. Sellers | | 5047 McAdory School Rd. | | | McCalla | AL | 35111 | |
| Debra Lucille Lawrence | | 4125 Jubilee Ln. | | | Moody | AL | 35004 | |
| Decoma Systems Integration Group, Inc. | | 337 Magna Dr. | | | Aurora | ON | L4G 7K1 | CANADA |
| Dedra Renee Carter | | 5601 8th Ave S | | | Birmingham | AL | 35212 | |
| DEFNALL JOSHUA D | | 1640 OLD ROCK CREEK RD | | | BESSEMER | AL | 35023-8019 | |
| Deidra Jalon Naylor | | P.O. Box 320601 | | | Birmingham | AL | 35232 | |
| Deidra Lashawn Brown | | 812 Nob Hill Dr., Apt. B | | | Birmingham | AL | 35209 | |
| DELOACH DONNA | | 3056 SUMMIT DR | | | FULTONDALE | AL | 35068 | |
| Delores Alaine Wright | | 430 Norman Rd | | | Gardendale | AL | 35071-2838 | |
| Delores Brown Shelton | | 1756 Grant Ave. SW | | | Birmingham | AL | 35211 | |
| Delores M. Samuels-Wells | | 1708 Mcmillon Ave. SW | | | Birmingham | AL | 35211 | |
| Deltaurora LLC | | 10944 March Rd. | | | Aurora | IN | 47001-2328 | |
| Demarcus M. Brown | | 1826 Bond Cr Ne Apt E | | | Birmingham | AL | 35215 | |
| Demetra Olson Trust UA 10/30/1997 | Demetra Olson | 9712 Wydella St | | | Riverview | FL | 33569 | |
| Demetrius Martes Williams | | 3334 Ridge Manor Dr., Apt. 3 | | | Hoover | AL | 35216 | |
| Dena Cleo Houser | | 1237 Forrest St. | | | Birmingham | AL | 35217 | |
| Denise McNear for the Estate of Kanecia McNear, Dec. | c/o Anthony Ifediba | Ifediba Law Group, LLC | 1220 16th St. S | | Birmingham | AL | 35205 | |
| Denise P Shelton | | Jefferson County Courthouse | 716 Richard Arrington Jr Blvd N | | Birmingham | AL | 35203 | |
| Dennis & Audrey Brown | | 6867 Holeman Rd | | | Blaine | WA | 98230 | |
| Dennis Dennerlein | | 212 Cates Pond Ct | | | Spartanburg | SC | 29301 | |
| Dennis Johnson | | 13098 Riverview RD | | | Daphne | AL | 36526-9212 | |
| Dennis Ryan Payne | | 3131 Nail Rd. | | | Warrior | AL | 35180 | |
| Denny D. Williams | | 4414 41st Pl. N | | | Birmingham | AL | 35217 | |
| Department of the Treasury - Internal Revenue Service | Internal Revenue Service | 801 Tom Martin Drive | M/S 126 | | Birmingham | AL | 35211 | |
| Department of Treasury - Internal Revenue Service | Internal Revenue Service | 801 Tom Martin Drive | M/S 126 | | Birmingham | AL | 35211 | |
| DEPPA BANK plc New York Branch | David Park | 623 Fifth Ave 22nd Fl | | | New York | NY | 10022 | |
| Deporres Williams | | 2012 16th St. N | | | Bessemer | AL | 35020 | |
| Dept. of Public Safety | State of Alabama | 908 Bankhead Hwy. W | | | Birmingham | AL | 35204 | |
| Deputy Orthopedics Inc | | P.O. Box 406663 | | | Atlanta | GA | 30384-6663 | |
| Derrick Combs, Jr. | | 810 Nob Hill, Apt. G | | | Birmingham | AL | 35209 | |
| Derrick D. Patterson | | 1604 29th Ct. S, Apt. 3 | | | Homewood | AL | 35209 | |
| Derrick Wallace | | 2324 18th Street Ensley | | | Birmingham | AL | 35208 | |
| Deshona Waller | | 8961 Roebuck Blvd., Apt. D | | | Birmingham | AL | 35206 | |
| Desmond Lewis Virdell | | 4505 Letson Street | | | Brighton | AL | 35020 | |
| Dewayne Cortez Powell | | 2425 31st St. W | | | Birmingham | AL | 35208 | |
| Dewey Jason Melcher | | 750 County Rd. 234, Lot 5 | | | Cullman | AL | 35057 | |
| Diana Elizabeth Beard | | P.O. Box 257 | | | Adger | AL | 35006 | |
| Diane B. Park | | 2816 Daffodil St. | | | Hueytown | AL | 35023 | |
| Diane Burch | | 3344 Ellis SW | | | Birmingham | AL | 35215 | |
| Diane Burch | | 720 20th Ave NW | | | Birmingham | AL | 35215 | |
| Diane D. Haskins | | 1419 20th PL Ensley | | | Birmingham | AL | 35218 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|-------------------------|----------------------------------|-------------------------|----------|----------------|-------|------------|---------|
| Diane E. Staten | | 1800 Chapel Ridge Dr., Apt. 1824 | | | Gardendale | AL | 35071 | |
| Diane Selcher | | 750 Spring Garden Drive | | | Middletown | PA | 17057 | |
| Dianne B. Kirksey | | 625 4th St. SW | | | Birmingham | AL | 35211 | |
| DICKSON JOHNNY | | 8151 W HILL RD | | | PINSON | AL | 35126 | |
| Dictation Equipment Co., Inc. | | 2716 Commerce Square E | | | Birmingham | AL | 35210 | |
| Diedree Michelle Echols (Decd) | | 1436 Shoshone Dr. | | | Birmingham | AL | 35214 | |
| Dimitri Kozakoff | | 2915 Tartan Rd | | | Billings | MT | 59101-9487 | |
| Dion Reynolds Kimbrough | | 1824 Martinique Dr., Apt. A | | | Birmingham | AL | 35215 | |
| DIRECT SUPPLY INC | | BOX 88201 | | | MILWAUKEE | WI | 53288-0201 | |
| Direct Supply Inc. | | P.O. Box 88201 | | | Milwaukee | WI | 53288-0201 | |
| Dirk S. Brady | | 830 N. Atlantic Ave. Apt. B-201 | | | Cocoa Beach | FL | 32931 | |
| Dixie Precision Inc | | 4137 Lewisburg Road | | | Birmingham | AL | 35207 | |
| Djuana D. Smith | | 325 16th Ave SW | | | Birmingham | AL | 35211 | |
| DOC Development Inc. | | 1765 Parker Rd., Ste. 8110 | | | Conyers | GA | 30094 | |
| DOHMEN Distribution Partners Southeast, LLC | Attn Bruce Allred | 3950 Valley East Industrial Dr. | | | Birmingham | AL | 35217-1837 | |
| DolgenCorp LLC | | 100 Mission Rd | | | Goodlettsville | TN | 37072 | |
| Dolores A. Temple | | 4555 Trussville-Clay Rd. | | | Trussville | AL | 35173 | |
| Don A. McDaniel | | 1975 CR# 3133 | | | Tyler | TX | 75708 | |
| Don E. Sharpe | | 1708 Enfield Cr | | | Tarrant | AL | 35217 | |
| Don Errick Douglas | | 515 Myrick Rd | | | Warrior | AL | 35180 | |
| Don F Meadows Jr | | 130 Red Stone Ln | | | Adger | AL | 35006 | |
| Don Melton | | 1937 Hanchey Rd. | | | Birmingham | AL | 35214 | |
| Donald & Patti Kunstadt | | 217 Lakewood Dr W | | | Mobile | AL | 36608 | |
| Donald & Winifred Dukes | | 216 Lakeridge Drive | | | Fairhope | AL | 36532 | |
| Donald & Winifred Dukes | Stone, Granade & Crosby | J. Bradford Boyd Hicks | Post Office Drawer 1509 | | Bay Minette | AL | 36507 | |
| Donald Bohannon and Wanda Bohannon | Donald Bohannon | 1015 Morningside Circle | | | Denison | TX | 75020 | |
| Donald Collins Bower | | 6725 Heather Ridge Cir. | | | Pinson | AL | 35126 | |
| Donald E Chaney and Linda J Chaney | | 2535 NW Ivy St | | | Camas | WA | 98607-9076 | |
| Donald E. Williams Decd | | 317 Palace Dr | | | Trussville | AL | 35173 | |
| Donald E. Wood | | P O Box 9941 | | | Birmingham | AL | 35220 | |
| Donald Hardy | | 1124 Swood Dr. | | | Birmingham | AL | 35217 | |
| Donald Ivan McCoy | | 15277 U S Hwy 278 | | | Haleyville | AL | 35565 | |
| Donald J. Ryan | | 153 Glen Abbey Way | | | Alabaster | AL | 35007 | |
| Donald Joe Barber | | RR40 | P.O. Box 370 | | Pinson | AL | 35216 | |
| Donald L. Burkett | | 10409 W Park Preserve Blvd | | | Tampa | FL | 33625 | |
| Donald M. Shure | | 3244 Harvest Moon Drive | | | Palm Harbor | FL | 34683 | |
| Donald Mason | | 7412 Westmoreland Dr. | | | Fairfield | AL | 35064 | |
| Donald P Little | | 1217 Park Ave | | | Tarrant | AL | 35217 | |
| Donald T. Hollis | | 11900 County Rd. 51 | | | Jemison | AL | 35085 | |
| Donald W Mason | | 2413 Hampstead Dr | | | Birmingham | AL | 35235 | |
| Donna Gail McGowan | | 1452 Berry Rd. | | | Homewood | AL | 35226 | |
| Donna H. Fox | | 5267 Austin Street | | | Birmingham | AL | 35235 | |
| Donna M. Deloach | | 3056 Summit Dr. | | | Fultondale | AL | 35068 | |
| Donna M. Dutton | | 5403 Pennock Point Rd | | | Jupiter | FL | 33458 | |
| Donna Ray Cockrell | | 6272 Hannah Drive | | | Mt. Olive | AL | 35117 | |
| Donna Ryals | | 1539 Highland Gate Point | | | Hoover | AL | 35244 | |
| Donna Swope King | | 1104 2nd St. N | | | Birmingham | AL | 35204 | |
| Donniael L. Rembert-Cowart | | 1815 6th St. NW | | | Birmingham | AL | 35215 | |
| Donnie G. Nichols | | 13217 Abernant Loop Rd. | | | Vance | AL | 35490 | |
| Donnie V. Franklin | | 994 Paul Allman Rd. | | | Adger | AL | 35006 | |
| Donny R. Jones | | 2021 13th St. N | | | Bessemer | AL | 35020 | |
| Donson Supply Inc. | | P.O. Box 700602 | | | Plymouth | MI | 48170 | |
| Doris K. Morgan | | 160 Frances Lane | | | Hayden | AL | 35079 | |
| DORMAN DEVELOPMENT and CONSTRUCTION | | 4115 BRADFORD HOPEWLL RD | | | PINSON | AL | 35126 | |
| Dorothea F. Robinson | | 849 79th St. S | | | Birmingham | AL | 35206 | |
| Dorothea Lashon Rutledge | | 500 2nd Terr. | | | Pleasant Grove | AL | 35127 | |
| Dorothy A. Riddick, as Trustee Under Trust Agreement Dated 7/25/2002 | Dorothy A. Riddick | 5 Ashley Drive | | | Mobile | AL | 36608 | |
| Dorothy Ann Mixon | | 508 First St. | | | Fultondale | AL | 35068 | |
| Dorothy B. Allen & Jesse B. Allen | | 203 Joel Drive | | | Madison | AL | 35758 | |
| Dorothy D. Warren | | 2118 Hickory Ridge Circle | | | Birmingham | AL | 35243 | |
| Dorothy Gaylord, Scot Hoverman JT Ten | Scot Hoverman | 386 Kostner Street | | | Port Charlotte | FL | 33954 | |
| Dorothy J. Isbell | | P.O. Box 227 | | | Wattsville | AL | 35182 | |
| Dorothy L. Dawson | | 2033 Willow Glenn Dr | | | Birmingham | AL | 35215 | |
| Dorothy Ruth Ratliff | | 77 Country Club Blvd. | | | Birmingham | AL | 35213 | |
| Dorothy Traylor | | P.O. Box 680316 | | | Fort Payne | AL | 35967 | |
| Douglas Bryant | | 122 Hampton Park Dr. | | | Irondale | AL | 35210 | |
| Douglas J. Carter | | 528 37th Terr. W | | | Birmingham | AL | 35207 | |
| Douglas Jay McGee | | 724 New Hill Way | | | Birmingham | AL | 35221 | |
| Douglas P. Davis | | 1702 Twelve Oaks Dr | | | Birmingham | AL | 35215 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|-----------------------------------|------------------------------------|----------|---------------|---------|------------|---------|
| DPC Data Inc. | | 103 Eisenhower Parkway | Suite 300 | | Roseland | NJ | 07068 | |
| DR HORTON INC | | 3570 GRANDVIEW PKWY # 100 | | | BIRMINGHAM | AL | 35243-2033 | |
| Dr Larry Downs | | Jefferson County Courthouse | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Dr. Durwood Sims | | 2221 Cir. Dr. | | | Birmingham | AL | 35214 | |
| Dr. S. W. Turney , Peggy T. Turney Ten In Com | Dr & Mrs SW Turney | 1515 Toney Dr | | | Huntsville | AL | 35802 | |
| Dr. S.W. Turney & Peggy Turney | Dr. & Mrs S.W. Turney | 1515 Toney Dr | | | Huntsville | AL | 35802 | |
| Dr. S.W. Turney & Peggy Turney | Dr. & Mrs S.W. Turney | 1515 Toney Dr | | | Huntsville | AL | 35802 | |
| Dr. S.W. Turney and Peggy Turney | | 1515 Toney Dr. | | | Huntsville | AL | 35802 | |
| Dr. William F. Hoehle II | | 2310 Tanglewood Drive | | | Birmingham | AL | 35216 | |
| Dresser Industrial Products Group | | P.O. Box 201847 | | | Dallas | TX | 75320-1847 | |
| Duane C. Pozza Veronica G Pozza | Duane C Pozza | 52 Silverhorn Dr. | | | San Antonio | TX | 78216 | |
| Dudley C. Jackson Inc. | | P.O. Box 261 | | | Helena | AL | 35080 | |
| Duncan Howard E | c o Frank C Galloway III EsqGalloway and Scott LLC | 2200 Woodcrest PlaceSuite 310 | | | Birmingham | AL | 35209 | |
| Dunn Janes A | Mary Douglas HawkinsGalloway and Scott LLC | 2200 Woodcrest PlaceSuite 310 | | | Birmingham | AL | 35209-1378 | |
| Dustin Clay Gilbert | | 2796 Stevens Creek Rd | | | Birmingham | AL | 35244 | |
| Dutch Ophthalmic USA | | 10 Continental Dr. Bldg 1 | | | Exeter | NH | 03833 | |
| Dynamix Group Inc | | P.O. Box 116609 | | | Atlanta | GA | 30368-6609 | |
| Dywane E. Lawson | | 1916 Portage Ave N | | | Birmingham | AL | 35234 | |
| E Enterprise LLC | | 2902 Lake Highland Way | | | Birmingham | AL | 35242 | |
| E Wayne Sullivan | | Jefferson County Courthouse | 716 Richard Arrington Jr Blvd N | | Birmingham | AL | 35203 | |
| E. Barbara Stoever C/F Alison Stoever Trust | | 30 Wall St | | | New York | NY | 10005 | |
| E. Barbara Stoever C/F Cheryl Stoever Trust | | 30 Wall St | | | New York | NY | 10005 | |
| E. Barbara Stoever C/F Julie Stoever Trust | | 30 Wall Street | | | New York City | NY | 10005 | |
| E. Barbara Stoever Trust | | 30 Wall St | | | New York | NY | 10005 | |
| E. Richard Rutfield | | 55 Shaw Farm Rd | | | Canton | MA | 02021 | |
| Earl Gattis and Anne Gattis JTWROS | Earl and Anne Gattis | 302 Shadybrook Drive | | | Huntsville | AL | 35801-1821 | |
| Earl Gattis and Anne Gattis JTWROS | Smith Thornton Advisors | Earl and Anne Gattis | 626 Clinton Ave, Suite 100 | | Huntsville | AL | 35801 | |
| Earl N. Carter, Jr. | | 5669 Ashton Way | | | McCalla | AI | 35111 | |
| Earlene W. Alexander | | 1400 Cambridge Blvd. | | | Fairfield | AL | 35064 | |
| Earline Matthews | | 313 Spring Gardens Way | | | Birmingham | AL | 35217 | |
| Earline Stewart | | 1405 Hugh Denman Dr SW Apt A | | | Birmingham | AL | 35211-4325 | |
| Earnest E. Wilson Decd. | | 703 11th Ave | | | Midfield | AL | 35228 | |
| Earnest Parrish | | 9160 Weller Sumpter Rd | | | Adger | AL | 35006 | |
| Eastman Kodak | | 1778 Solutions Center | | | Chicago | IL | 60677-1007 | |
| ECKWARD LAWONDA YVETTE | | 2003 Berkley Ave. | | | BESSEMER | AL | 35020-4237 | |
| ECONOMIC DEV ADM US DEPT OF | | RM 71004 1401 CONSTITUTION AVE NW | | | WASHINGTON | DC | 20230 | |
| Economic Research System | | D/B/A Ers Group | P. O. Box 849858 | | Dallas | TX | 75284-9858 | |
| Eddie D. Gordon | | 119 Alpine St. | | | Hueytown | AL | 35023 | |
| Eddie G. Burgess | | 4838 Lacey Chapel Loop Rd. | | | Bessemer | AL | 35023 | |
| Eddie J. Hurley | | 4424 Maytown Church Rd. | | | Mulga | AL | 35118 | |
| Eddie J. Sanders, Jr. | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Eddie Mae Jones | | 615 16th St. S | | | Bessemer | AL | 35020 | |
| Eddie Smith | c/o Derrick A. Mills, Esq. | Marsh, Rickard & Bryan, PC | 800 Shades Creek Pkwy., Ste. 600-D | | Birmingham | AL | 35209 | |
| Eddie W. Campbell | | 308 Northridge Rd. | | | Gardendale | AL | 35071 | |
| Edgar Avery, III | | 528 Plaza Dr. | | | Birmingham | AL | 35235 | |
| Edgar Ray Woodis Jr | | Jefferson County Courthouse | 716 Richard Arrington Jr Blvd. N | A-180 | Birmingham | AL | 35203 | |
| Edison Stanley Duke | | 3412 Stouts Rd | | | Fultondale | AL | 35068 | |
| Edith C. McClain | | 2332 3rd Way NE | | | Center Point | AL | 35215 | |
| Edith McKinney | | 1101 50th Street West | | | Birmingham | AL | 35208 | |
| Edmund Klepin Mina Klepin JT TEN | Edmund Klepin | 223 E. Liberty St. | | | Hernando | FL | 34442-8363 | |
| Edna Allred Jackson | | 5302 Jackson Rd | | | Dora | AL | 35062 | |
| Edna W. Palmer | | 1101 48th St., Ensley | | | Birmingham | AL | 35208 | |
| Edward Amick Jr | | 6348 Amick Ln | | | Bessemer | AL | 35023 | |
| Edward Jones | William C Parrish & Marzell R Parrish | PO Box 1699 | | | Andalusia | AL | 36420 | |
| Edward Jones - FBO Tula Hemphill | | PO Box 1699 | | | Andalusia | AL | 36420 | |
| Edward Jones for Cordelia A. Bodie | Cordelia A. Bodie | P.O. Box 163 | | | Huntsville | AL | 35804 | |
| Edward Neng Xu & Hui Wang | | 5202 Picha Road | | | Minnetonka | MN | 55345 | |
| Edward Rohling, III | | 5841 North Rd. | | | Pinson | AL | 35126 | |
| Edward Still | Edward Still Law Firm, LLC | 130 Wildwood Parkway | Suite 108 PMB 304 | | Birmingham | Alabama | 35209 | |
| Edward Terrace Kelley | | 201 Goldwire Cir. SW | | | Birmingham | AL | 35211 | |
| Edward William & Sharon Hudson Smith | Edward W. Smoth | 627 Craft Lane | | | Orange | TX | 77632 | |
| Edward William & Sharon Hudson Smith JT Ten (c/o Charles Schwab) | Charles Schwab for Act 421R | 2423 E Lincoln Drive | | | Phoenix | AZ | 85016 | |
| Edward William & Sharon Hudson Smith JT Ten (c/o Charles Schwab) | Edward W. Smith | 627 Craft Lane | | | Orange | TX | 77632 | |
| Edwards Jessica | c o James H McFerrin Esq | 2117 Magnolia Ave S Ste 100 | | | Birmingham | AL | 35205 | |
| Edwards Jessica et al | James McFerrinSamuel Hill | 265 Riverchase Pkwy E Ste 202 | | | Hoover | AL | 35244-2898 | |
| Edwards Sterling | Hollingsworth Rebecca | 224 Russet Woods Dr | | | Hoover | AL | 35244 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|-------------------------------|------------------------------------|-----------------------------------|-----------|------------------|-------|------------|---------|
| Edwin A. Henson | | 4391 Silver Lake Rd | | | Pinson | AL | 35126 | |
| Edwin A. Strickland | | 3836 Forest Glen Dr. | | | Birmingham | AL | 35213 | |
| Edwin H. & Betty R. Lockerman | | 248 Dogwood Ridge | | | Mineral Bluff | GA | 30559 | |
| Eiland Sandra Fay | | 5000 Pine Dr | | | Bessemer | AL | 35023 | |
| Elaine G. Wong Family Trust | Elaine G. Wong | 8542 Meadowbrook Drive | | | Langu | FL | 33777 | |
| Elaine P. Davis | | 319 Nevada Street | | | Birmingham | AL | 35224 | |
| Elaine Williams | | 121-15 Ave. W | | | Birmingham | AL | 35204 | |
| Elba Botar Revocable Trust | Elba Botar | 10101 Collins Ave Apt B-12 | | | Bal Harbour | FL | 33154 | |
| Eleanor N. Hutchens | | 300 Williams Ave SE | | | Huntsville | AL | 35801-4248 | |
| Eleanor V. Lovell & Kenneth R. Lovell JT Ten | Kenneth R & Eleanor V. Lovell | PO Box 306 | | | Center Harbor | NH | 03226 | |
| Election Systems & | | 6055 Payshere Cir. | | | Chicago | IL | 60674 | |
| Electric Power Systems | | 21 Mill Park Court | | | Maryland Heights | MO | 63043 | |
| Electro Medical Equipment | | P.O. Box 670893 | | | Marietta | GA | 30066 | |
| Elesia Faye Evans | | 216 E Granger Ave Apt 10 | | | Modesto | CA | 95350-4348 | |
| Elevator Maintenance & Repair | c/o J. Matthew Parnell | Parnell & Crum, PA | 640 S Lawrence St. | | Montgomery | AL | 36104 | |
| Elfriede Rugg | | 2031 NE 22 Terrace | | | Ft Lauderdale | FL | 33305 | |
| Elijah Timothy Brigham | | 1744 C Woodcrest Rd. S | | | Birmingham | AL | 35205 | |
| Elis Peavy | | 617 19th St SW | | | Birmingham | AL | 35211-3202 | |
| Elizabeth Ann Welch | | 405 Skyview Dr., Apt. G | | | Birmingham | AL | 35209 | |
| Elizabeth D. Mann | | 746 Doss Street | | | Kimberly | AL | 35091 | |
| Elizabeth Marie Hucks | | 255 County Rd 172 | | | Jemison | AL | 35085 | |
| Elizabeth McElroy | c/o Jackson and Tucker, PC | Adm. Est. of J. Gable and J. Dukes | 2229 1st Ave. N | | Birmingham | AL | 35203 | |
| Elizabeth Wilson | | 929 N Martinwood Dr | | | Birmingham | AL | 35235 | |
| Ellen D. Rogers | | 2900 Cahaba Brook Lane | | | Birmingham | AL | 35243-5800 | |
| Elmore Bend | | 120 Woodland Rd. | | | Bessemer | AL | 35020 | |
| Eloise Brown | | 1931 Preston Ct. SW | | | Birmingham | AL | 35211 | |
| Eloise Staples | | 920 6th St. SW. | | | Birmingham | AL | 35211 | |
| Elonda M. Elmore-Bates | | 5035 Elese St. | | | Orlando | FL | 32811-4025 | |
| Elton L. & Deanna D. Epley | Elton Epley | 2609 Blue Water Dr. | | | Corona Del Mar | CA | 92625 | |
| Elzona Mae Richardson | | 4427 42nd Pl. N | | | Birmingham | AL | 35217 | |
| Emanuel Howard | | 530 Gulfport St., Wylam | | | Birmingham | AL | 35224 | |
| Emdeon Business Services | | P.O. Box 572490 | | | Murray | UT | 84157-2490 | |
| Emerald Eagle Holdings South, L.L.C | Attn Trade Claims | P.O. Box 1211 | | | New York | NY | 10150 | |
| Emerald Eagle Holdings, L.L.C | Attn Trade Claims | P.O. Box 1203 | | | New York | NY | 10150 | |
| Emerson Network | | 610 Executive Campus Drive | | | Westerville | OH | 43082 | |
| Emma Heard | | Jefferson County Courthouse | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35233 | |
| Emma Mae Hatcher | | 1132 Grand Blvd. | | | Birmingham | AL | 35214 | |
| Emory H. Dueitt, Sr., Dottie J. Dueitt | | 12951 Shady Dr. | | | Grand Bay | AL | 36541-4939 | |
| Employers Drug Program Mgmt | | P.O. Box 55724 | | | Birmingham | AL | 35255 | |
| Enersolv | | P.O. Box 1646 | | | Decatur | AL | 35602 | |
| Engel, Hairston & Johanson III | Charles R. Johanson III | 109 North 20th Street 4th Floor | PO Box 11405 | | Birmingham | AL | 35203 | |
| ENGINEERING DESIGN GROUP LLC | | 246 YEAGER PKWY | | | PELHAM | AL | 35124 | |
| Engineering Service Associates, Inc. | | 2 Perimeter Park S | | | Birmingham | AL | 35243 | |
| Enoch Brown | | 1515 6th Ave. S | | | Birmingham | AL | 35233 | |
| Enrique Ruiz - Fornells & Cynthia Ruiz - Fornells | Enrique Ruiz-Fornells | 1647 Hamilton Lane | | | Tuscaloosa | AL | 35404 | |
| Entrepreneurial Center | | c/o Susan Matlock | 1500 First Avenue North | | Birmingham | AL | 35203 | |
| Environmental Protection Agency | | Ariel Rios Building | 1200 Pennsylvania Ave. NW | | Washington | DC | 20460 | |
| Environmental Protection Agency | | Atlanta Federal Center | 61 Forsyth St SW | | Atlanta | GA | 30303-3104 | |
| Environmental Resource | | 6000 West 54th Ave. | | | Arvada | CO | 80002 | |
| Equipment & Parts | | 3523 Mobile Hwy. | | | Montgomery | AL | 36125 | |
| Eric Brown | | 42 W Greenleaf Dr. | | | Birmingham | AL | 35214 | |
| Eric D. Cook | | 229 Blount St. | | | Birmingham | AL | 35214 | |
| Eric Hughes and Nicole Hughes | | 220 Elizabeth Pointe Dr. | | | Germantown Hills | IL | 61548 | |
| Eric Lee Hall | | 9130 West Commercial Ave. | | | Trafford | AL | 35172 | |
| Eric P. Myers | | 521 Conway Ln. | | | Birmingham | AL | 35210 | |
| Eric Pruitt | c/o Richard H Bite | Bite Bite & Marlow | 2001 Park Place Tower | Suite 860 | Birmingham | AL | 35203 | |
| Erica V. Pearson | | 1215 4th Ct. W | | | Birmingham | AL | 35208 | |
| Erick Green | | 1713 Ave. V | | | Birmingham | AL | 35218 | |
| Erin Harrison | | 1012 Moundridge Dr | | | Lawrence | KS | 66049 | |
| Erma F. Askew & Richard T. Askew JTWROS | | 1035 Bayfield Dr SE | | | Huntsville | AL | 35802 | |
| Ernest K. Hollon & Evelyn D. Hollon JTWROS | Ernest K. Hollon | 8219 Marsh Pointe Ct. | | | Montgomery | AL | 36117 | |
| Ernest W. Williams | | 7504 Chase Way | | | Hueytown | AL | 35023 | |
| Ervin P. Acton | | 731 Beasley Rd. | | | Gardendale | AL | 35071 | |
| Esoterix Genetic Laboratories LLC | | P. O. Box 223614 | | | Pittsburgh | PA | 15251-2614 | |
| ESRI Inc. | Attn File #54630 | 380 New York St. | | | Redlands | CA | 92373-8100 | |
| Estate of Madie B. Elwood, Donna G. Elwood Executor | | P.O. Box 236 | | | Chappell Hill | TX | 77426 | |
| Estate of Tekaya Clark | c/o Richard Horsley | 2545 Highland Ave S Ste 100 | | | Birmingham | AL | 35205-2420 | |
| Ester Shanta Kennedy | | 29 3rd Ave S | | | Birmingham | AL | 35205-3017 | |
| Estes Equipment Company | | 1258 Gadsden Highway | | | Birmingham | AI | 35235 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|--|---|------------------------------------|----------------|-------|------------|---------|
| Esther Bryant | | 2040 Chandalar Ct. | | | Tarrant | AL | 35217 | |
| Ethel E. Kahn | Ethel E. Kahn, Trustee | Ethel E. Kahn Revocable Trust | 12719 Hunters Chase | | San Antonio | TX | 78230 | |
| Ethel F. Howard | | 1302 Sharpsburg Cir. | | | Birmingham | AL | 35213 | |
| Ethel Fields | c/o Kira Fonteneau | The Fonteneau Firm, LLC | 1933 Richard Arrington Jr Blvd S, #3400 | | Birmingham | AL | 35203 | |
| Ethel H Arms | | 119 Green Leaf Dr. | | | Birmingham | AL | 35214 | |
| Eubank Jared Martin | | 505 Jeremiah Dr | | | Trussville | AL | 35173 | |
| Eugene E McClurg TTEE, Eugene E & Ermadean Fmly Trust | Eugene E. McClurg TTEE | 1206 S Border Ave #649 | | | Weslaco | TX | 78596 | |
| Eugene E McClurg TTEE, Eugene E. McClurg & Ermadean Fam Trust | Eugene E. McClurg | 1206 S Border Ave #649 | | | Weslaco | TX | 78596 | |
| Eugene M. Pitard, III | | 2604 Woodfern Ct. | | | Homewood | AL | 35209 | |
| Eugene R. Verin | | 511 Hillside Terrace | | | Bessemer | AL | 35020 | |
| Eugene S. & Barbara H. Botter | | 2453 Amonett St | | | Pascagoula | MS | 39567 | |
| Eugene S. Botter | | 2453 Amonett St | | | Pascagoula | MS | 39567 | |
| Eugene W. Brabston and Diane W. Brabston | | 4129 Highlands Circle | | | Birmingham | AL | 35213-2800 | |
| Eugene W. Brabston and Diane W. Brabston | Raymond James and Morgan Keegan | Attn V. Barber | 2900 Highway 280 Ste 100 | | Birmingham | AL | 35223 | |
| Eugene Weldon | | 924 Ave. V, Pratt City | | | Birmingham | AL | 35214 | |
| Eugene Y. Byon & Jennifer Y. Cheong | Eugene Y. Byon | 12210 Rampy Green Dr. | | | Tomball | TX | 77377 | |
| Eula D. Garrett | | 1913 Etowah St. | | | Birmingham | AL | 35217 | |
| Eva D. Brundige | | 2410 9th Ave N | | | Bessemer | AL | 35020 | |
| Eva Dancy | | 1515 6th Ave. S | | | Birmingham | AL | 35233 | |
| Evangeline Williams Y. Clay | | 2352 3rd Way NE | | | Birmingham | AL | 35215 | |
| Evenflo Co. Inc. | | P.O. Box 73658 | | | Cleveland | OH | 44193 | |
| Ever Green Cleaners | | 2260 Brewster Rd | | | Clay | AL | 35235 | |
| Everett J. Vanderwende | | 88 Madrona Hgts. Rd | | | Coupeville | WA | 98239 | |
| Express Oil Change LLC | | 1880 South Park Dr. | | | Hoover | AL | 35244 | |
| F4W Inc | | 39 Skyline Dr., Ste. A1001 | | | Lake Mary | FL | 32746 | |
| Fairfield City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Fairfield Ventures LLC | c/o Romaine S Scott III Esq/Haskell Slaughter Young and Rediker LLC | 2001 Park Pl North Suite 1400 | | | Birmingham | AL | 35203 | |
| Fairfield Ventures, LLC | c/o Romaine S. Scott, III, Esq. | Haskell, Slaughter, Young & Rediker, LLC | 2001 Park Pl. N, Ste. 1400 | | Birmingham | AL | 35203 | |
| Family Automotive Enterprises LLC | c/o Bruce A Rawls Esq/Burr and Forman | 3400 Wachovia Tower | 420 20th St N | | Birmingham | AL | 35203 | |
| Family Automotive Enterprises, LLC | c/o Bruce A. Rawls, Esq., Burr & Forman | 3400 Wachovia Tower | 420 20th St. N | | Birmingham | AL | 35203 | |
| Farooqi Restaurants, Inc. | | 30 Poppy Hill Rd. | | | Laguna Niguel | CA | 92677 | |
| Farooqi Restaurants, Inc. | | P.O. Box 660481 | | | Dallas | TX | 75266-0481 | |
| Farooqui Restaurants Inc | | 30 Poppy Hill Rd | | | Laguna Niguel | CA | 92677 | |
| Faye Williams | | 1017 Ave. M, Pratt City | | | Birmingham | AL | 35214 | |
| Febra D. McGuire | | 6475 Serr Trace Dr | | | Leeds | AL | 35094 | |
| Feingold Family Trust Date June 30 1999 | | 835 Loma Vista Dr | | | Beverly Hills | CA | 90210 | |
| Feingold Family Trust Dated June 30, 1999 | | 835 Loma Vista Dr | | | Beverly Hills | CA | 90210 | |
| Felicia T | | 1129 8th Pl | | | Pleasant Grove | AL | 35127 | |
| Felicia T. Rucker | | 1129 8th Pl | | | Pleasant Grove | AL | 35127 | |
| Felippa F. Orlando | | 408 Kimry Moor | | | Fayetteville | NY | 13066 | |
| Fernando Murphy | | 1661 Fulton Ave. SW | | | Birmingham | AL | 35211 | |
| Fidelity & Deposit Co. of Maryland | c/o L. Graves Stiff, III, Esq. | Starnes Davis Florie LLP | P.O. Box 598512 | | Birmingham | AL | 35259-8512 | |
| Fidelity and Deposit Co of Maryland | L Graves Stiff III Starnes Davis Florie LLP | PO Box 598512 | | | Birmingham | AL | 35259-8512 | |
| Fidelity Investments | FBO Gerard A OConnor Janet K OConnor | P.O. Box 770001 | | | Cincinnati | OH | 45277-0003 | |
| Fields Ethel | Kira Forteneau/The Forteneau Firm LLC | 1933 Richard Arrington Jr Blvd S Ste 223 | | | Birmingham | AL | 35203 | |
| FIELDS TODD | | 6058 TOWNLEY CT | | | MCCALLA | AL | 35111 | |
| Financial Guaranty Insurance Co | c/o H. Slayton Slate Dabney, Jr. | Dabney, PLLC | 303 Grande Court | | Richmond | VA | 23229 | |
| Financial Guaranty Insurance Company | Heller Draper Patrick & Horn LLC | Attn William H. Patrick III | 650 Poydras Street, Suite 2500 | | New Orleans | LA | 70130 | |
| Financial Guaranty Insurance Company | Spotswood Sansom & Sansbury LLC | Emily J Tidmore | 940 Concord Center | 2100 Third Avenue North | Birmingham | AL | 35203 | |
| Financial Guaranty Insurance Company | Timothy Travers | 125 Park Avenue | | | New York | NY | 10017 | |
| Financial Guaranty Insurance Corporation | H Slayton Slate Dabney Jr Esq | Dabney, PLLC | 303 Grande Court | | Richmond | VA | 23229 | |
| Financial Security Assurance | c/o Mark N. Berman | Nixon Peabody LLP | 100 Summer St. | | Boston | MA | 02110-2131 | |
| Financial Security Assurance Inc. | | 31 W 52nd St. | | | New York | NY | 10019 | |
| Fincher Charles | | c o Celeste Jackson | 4025 Beverly Dr | | Birmingham | AL | 35206 | |
| Fire Rock Products, LLC | | 312 N 23rd St. | | | Birmingham | AL | 35203 | |
| First Commercial Bank | Attn Dean Matthews | PO Box 11746 | | | Birmingham | AL | 35202 | |
| First Commercial Bank | c/o David B. Anderson | Anderson Weidner, LLC | 505 20th Street North, Suite 1450 | | Birmingham | AL | 35203-4635 | |
| First Commercial Bank | Dean Matthews Senior Vice President | 800 Shades Creek Parkway | | | Birmingham | AL | 35209 | |
| First Commercial Bank as Indenture Trustee | Attn Dean Matthews | re Lease Revenue Warrants, Series 2006 | 800 Shades Creek Pkwy | | Birmingham | AL | 35209 | |
| First Commercial Bank, as Indenture Trustee for Lease Revenue Warrants, Series 2006 | First Commercial Bank | Dean Matthews Senior Vice President | 800 Shades Creek Parkway | | Birmingham | AL | 35209 | |
| First Commercial Bank, solely in its capacity as Indenture Trustee under the Trust Indenture, dated August 1, 2006 | Ambac Assurance Corporation | Attn Dwight Kwa | First Vice President, General Counsels Office | One State Street Plaza, 19th Floor | New York | NY | 10004 | |
| First Commercial Bank, solely in its capacity as Indenture Trustee under the Trust Indenture, dated August 1, 2006 | First Commercial Bank as Indenture Trustee | Attn Dean Matthews | re Lease Revenue Warrants, Series 2006 | 800 Shades Creek Pkwy | Birmingham | AL | 35209 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|--|---|--|----------------|-------|------------|---------|
| First Commercial Bank, solely in its capacity as Indenture Trustee under the Trust Indenture, dated August 1, 2006 | governing the 86,745,000 of Lease Revenue Warrants Series 2006 | Alston & Bird LLP Attn Mr Jason H. Watson | One Atlantic Center | 1201 West Peachtree Street | Atlanta | GA | 30309-3424 | |
| First Commercial Bank, solely in its capacity as Indenture Trustee under the Trust Indenture, dated August 1, 2006 | Governing | Alston & Bird LLP | Jason H Watson | One Atlantic Ctr | Atlanta | GA | 30309-3424 | |
| First Commercial Bank, solely in its capacity as Indenture Trustee under the Trust Indenture, dated August 1, 2006 | Governing | Ambac Assurance Corporation | Attn Dwight Kwa | One State Street Plaza, 19th Floor | New York | NY | 10004 | |
| First Commercial Bank, solely in its capacity as Indenture Trustee under the Trust Indenture, dated August 1, 2006 | Governing | Attn Dean Matthews | First Commercial Bank, as Indenture Trustee re Lease Revenue Warrants Serie | | Birmingham | AL | 35209 | |
| First Commercial Bank, solely in its capacity as Indenture Trustee under the Trust Indenture, dated August 1, 2006 | Governing | First Commercial Bank as Indenture Trustee | Attn Dean Matthews | re Lease Revenue Warrants, Series 2006 | Birmingham | AL | 35209 | |
| First Southwest | | 325 N St Paul St Ste 800 | | | Dallas | TX | 75201 | |
| FISHER VANESSA | | 2352 3RD WAY NE | | | BIRMINGHAM | AL | 35211 | |
| Fitzpatrick Bonnie Keith | Frank Wayne Keith | 15 Southlake Ln Ste 150 | | | Hoover | AL | 35244-3334 | |
| Flagstar Enterprises Inc | c o Robin Beardsley Mark Esq | Sirote and Permutt PC | 2311 Highland Ave S | | Birmingham | AL | 35205 | |
| Flagstar Enterprises, Inc. | c/o Robin Beardsley Mark, Esq. | Sirote & Permutt, PC | 2311 Highland Ave. S | | Birmingham | AL | 35205 | |
| FLANAGAN SONYA | | 16 HIDDEN TRACE CT | | | MONTEVALLO | AL | 35115 | |
| Fleenor and Green LLP | Wilson Green | 204 Marina Drive, Ste 200 | | | Tuscaloosa | AL | 35406 | |
| Flex-N-Gate Alabama LLC | Attn Mellissa Kendall | 6324 Bay Dr. | | | Bessemer | AL | 35111 | |
| Floderica Lashan Toyer | | 600 Lawson Rd | | | Birmingham | AL | 35217 | |
| Floyd Lamar Morrison, Jr. | | 1417 13th Ave | | | Pleasant Grove | AL | 35127 | |
| Ford Ronnie | | 1649 First St NE | | | Center Point | AL | 35215 | |
| Fordia Jones, Jr. | | 2512 Amsterdam Ln. | | | Birmingham | AL | 35211 | |
| Foreign Language Svcs. Inc. | | 3609-A5 Memorial Pkwy. SW | | | Huntsville | AL | 35801 | |
| Foresight Development, LLC | Spina & Lavelle, P.C. | Paul J. Spina, III | 1500 Urban Center Drive, Ste. 450 | | Birmingham | AL | 35242 | |
| Foresight Development, LLC | Spina & Lavelle, P.C. | Paul J. Spina, III | 1500 Urban Center Drive, Ste. 450 | | Birmingham | AL | 35242 | |
| Forestdale Fire District | | 751 Heflin Avenue East | | | Birmingham | AL | 35214 | |
| Formfast Inc | | 13421 Manchester Rd-Suite 208 | | | St Louis | MO | 63131 | |
| FOSTER BYRON | | 5368 WILLOW RIDGE LN | | | PINSON | AL | 35126 | |
| Frances A. Parody, Trustee of Frances Parody Trust | Frances A. Parody | 4970 E. Shoreline Dr. | | | Post Falls | ID | 83854 | |
| Frances Glenda Taff | | 45 Reddick Road | | | Asheville | NC | 28805 | |
| Frances H. Cooper | | 5233 Hwy 78 | | | Cordova | AL | 35550 | |
| Frances J Orabona | | 55 W 111th St. Apt 5G | | | New York | NY | 10011 | |
| Frances Parody TTEE of Frances Parody Trust | Frances A. Parody | 4970 E. Shoreline Dr. | | | Post Falls | ID | 83854 | |
| Frances Susan Story Aschton | | 6100 Oak Ln. | | | Pinson | AL | 35126 | |
| Frank C Galloway Atty for owners Michael H Weisser | Frank C Galloway III Galloway and Scott LLC | 2200 Woodcrest Pl Ste 310 | | | Birmingham | AL | 35209 | |
| Frank Galloway, Atty for M. H. Weisser | c/o Frank C. Galloway, III, Esq. | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | | Birmingham | AL | 35209 | |
| Frank Huey Rogers | | 5484 Littleton Kilgore Rd. | | | Dora | AL | 35062 | |
| Frank Jordan Lieb and Pamela Lynn Lieb | McDowell Knight Roedder & Sledge L.L.C. | Pauline Holder | 11 North Water Street Suite 13290 | | Mobile | AL | 36602 | |
| Frank Jordan Lieb and Pamela Lynn Lieb | Richard M. Gaal | PO Box 350 | | | Mobile | AL | 36601 | |
| Frank Williams, Jr. | | 325 3rd Ave SW Apt 6G | | | Birmingham | AL | 35211 | |
| Franklin Federal Intermediate-Term Tax-Free Income Fund | Jennifer Johnston | Franklin Templeton - Muni Bond Dept | One Franklin Parkway | | San Mateo | CA | 94403 | |
| Franklin Federal Intermediate-Term Tax-Free Income Fund | Stradley Ronon Stevens & Young, LLP | Steven J. White | 2600 One Commerce Square | | Philadelphia | PA | 19103-7098 | |
| Franklin Lane Gamble | | 1119 Cresthill Dr | | | Birmingham | AL | 35213 | |
| Franklin S. Campbell | | Star Rt Box 47 | | | Weogufka | AL | 35183 | |
| Fraternal Order of Police | c o Raymond P Fitzpatrick Jr | 1929 3rd Ave N Ste 600 | | | Birmingham | AL | 35203 | |
| Fraternal Order of Police Lodge No 64 et al | Raymond P Fitzpatrick Jr Farley Building | 1929 3rd Ave N Ste 600 | | | Birmingham | AL | 35203 | |
| Fraternal Order of Police Lodge No. 64 | c/o Raymond P. Fitzpatrick, Jr. | 1929 3rd Ave. N, Ste. 600 | | | Birmingham | AL | 35203 | |
| Fred Randall Hedgepeth (Decd) | | 176 Pike Rd | | | Reamlap | AL | 35133 | |
| Fred W. Byers, Jr. | | 1125 Cardwell Ln. | | | Birmingham | AL | 35215 | |
| Fred W. Schafer | c/o James A. Kee, Jr. | Kee & Selby, LLP | 1900 International Park Dr., Ste. 220 | | Birmingham | AL | 35243 | |
| Freddie M. Johnson | | 631 Bell Ave., Apt. B | | | Birmingham | AL | 35217 | |
| Freddrick A. Effinger | | 5821 5th Court S | | | Birmingham | AL | 35212 | |
| Frederick Vanzell Moore | | 11605 17th Pl. SW | | | Birmingham | AL | 35211 | |
| Fredrica Brianne Dunagan | | 6222 Owens Street Apt 32 | | | Birmingham | AL | 35228 | |
| Fredrick Austin | | 1824 31st St. | | | Birmingham | AL | 35208 | |
| Fredrick Lamon Holifield | | 2300 Roberta Rd. | | | Birmingham | AL | 35214 | |
| Fredricka Snipes | | 2752 Acton Rd | | | Birmingham | AL | 35243 | |
| Freedom Reporting Inc | | 2015 3rd Avenue North | | | Birmingham | AL | 35203 | |
| FREEMAN MARY | | 3317 VIRGINIA DR | | | HUEYTOWN | AL | 35023 | |
| Freeman Reese | | 1665 Creely Dr | | | Birmingham | AL | 35235-3317 | |
| Freeman Reese | Merrill Lynch | 100 Grandview Pl, Suite 200 | | | Birmingham | AL | 35243 | |
| FROST DELORES | | 4537 WEST ST | | | BESSEMER | AL | 35020-1857 | |
| Fuller Britney | | c o Mary Pollard | PO Box 455 | | Birmingham | AL | 35201 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|--------------------------------------|---|----------|----------------|-------|------------|---------|
| Fuller Five Landscape | | P.O. Box 150 | | | Cusseta | AL | 36852 | |
| Fultondale Gas Dept | | P.O. Box 609 | | | Fultondale | AL | 35068 | |
| Fundamental Partners II LP | Attention Jonathan Stern | 745 Fifth Avenue, 30th Floor | | | New York | NY | 10151 | |
| Fundamental Partners ILLP | Attention Jonathan Stern | 745 Fifth Avenue, 30th Floor | | | New York | NY | 10151 | |
| Fundamental Partners LP | Attention Jonathan Stern | 745 Fifth Avenue, 30th Floor | | | New York | NY | 10151 | |
| G and T DEVELOPMENT LLC | | 5051 LINWOOD DR | | | BIRMINGHAM | AL | 35244 | |
| Gaeton Michael Lorino | | 4924 Cahaba River Rd | | | Cahaba Heights | AL | 35243 | |
| Gail D. Marcus (Decd) | | P.O. Box 696 | | | Pleasant Grove | AL | 35127 | |
| Galvin K. Billups | | 935 Pinehill Rd. | | | Birmingham | AL | 35235 | |
| Gardner Sharon Elaine | D Leon AshfordHare Wynn Newell and Newton | 2025 Third Ave N Ste 800 | | | Birmingham | AL | 35203 | |
| Garren T. Hubbert | | 190 Mountain Oaks Ln. | | | Warrior | AL | 35180 | |
| Gary L. Johnson Designated Benefit Plan/TOD | | 1443 Wentworth Ave | | | Saint Johns | FL | 32259 | |
| Gary Misko | | 9 Plafsky Drive | | | Edison | NJ | 08817 | |
| Gary W. Boyd | | 5925 Shoal Creek Rd | | | Ashville | AL | 35953 | |
| Gary W. Harris | | 333 Huff Ln | | | Springville | AL | 35146 | |
| Gary W. Hudson & Diane B. Hudson | | 373 Esslinger Drive | | | Gurley | AL | 35748 | |
| Gates Angela | c o Stephen C Norris | 10 Old Montgomery Hwy | | | Birmingham | AL | 35209 | |
| Gateway | | 1401 S 20th St. | | | Birmingham | AL | 35205 | |
| Gayle Mines Murray | | 5504 Longview Dr | | | Adamsville | AL | 35005 | |
| Gazelle One, LLC | | Attn Michael H. Graham | 110 Office Park Dr., Ste. 200 | | Birmingham | AL | 35223 | |
| Gazelle, LLC | | Attn Graham & Company, LLC | 110 Office Park Dr., Ste. 200 | | Birmingham | AL | 35223 | |
| GCR Truck Tire Centers | | 3340 Vanderbilt Road | | | Birmingham | AL | 35217 | |
| Genae Raines | | 325 Della Rose Cir. | | | Forestdale | AL | 35214 | |
| Gene Christy & Dorothy Christy | Bob & Dorothy Christy | 1200 Deborah Drive | | | Huntsville | AL | 35801 | |
| Gene E. Van Gorder & Dianne M. Van Gorder | Gene Van Gorder | 1621 Williston Ave | | | Waterloo | IA | 50702 | |
| General Electric Capital | | P.O. Box 641419 | | | Philadelphia | PA | 15264-1419 | |
| General Machinery Co | | 921 1st Ave. N | | | Birmingham | AL | 35203 | |
| General Retirement System | | 716 Richard Arrington Jr. Blvd. N | Room 300, Jefferson County Courthouse+C26 | | Birmingham | AL | 35203 | |
| Geneva B. Null | | 1544 90th St. N | | | Birmingham | AL | 35206 | |
| Geneva Brown | | 4189 Powell Ave. | | | Pinson | AL | 35126 | |
| Geneva Redding | | 7723 3rd Ave. S, Apt. A | | | Birmingham | AL | 35206 | |
| Genuine Parts Co/Napa | | P.O. Box 102155 | | | Atlanta | GA | 30368-2155 | |
| Genzyme Corporation | | P.O. Box 223614 | | | Pittsburgh | PA | 15251-2614 | |
| Geonecia S. Thomas | | 1433 16th Way SW | | | Birmingham | AL | 35211 | |
| George Bill | L William SmithWiggins Childs Quinn and Pantazis | The Kress Building | 301 19th St N | | Birmingham | AL | 35203 | |
| George D. H. McMillan, Jr. | c/o John W. Scott, Esq. | Scott, Dukes & Geisler, PC | 2100 3rd. Ave. N, Ste. 700 | | Birmingham | AL | 35203 | |
| George F. Bowman, Commissioner | | 716 Richard Arrington Jr. Blvd. N | Room 240, Jefferson County Courthouse | | Birmingham | AL | 35203 | |
| George L Tallman, Jr | | 8726 SE 71st Ct | | | Ocala | FL | 34472 | |
| George L. and Edna G. Mcpeters | | 98 Cedarbrook Lane | | | Killen | AL | 35645 | |
| George M. Horton (Decd.) | | 4731 Mulberry Dr | | | New Castle | AL | 35119 | |
| George Ohagwu | | 4120 Heathersage Cir. | | | Tuscaloosa | AL | 35405 | |
| George Raymond McCreless Jr. | | 161 Stonebriar Dr. | | | Calera | AL | 35040 | |
| George S Thomas and Sara Thomas Thompson | | 2710 Hwy 82 | | | Midway | AZ | 36053-3206 | |
| George W. Ogden | | 3298 Allison Bonnett Mem. Dr. | | | Hueytown | AL | 35023 | |
| George Weaver and Dorothy Weaver | | 2006 Snowhill Rd | | | W Harrison | IN | 47060 | |
| George Young, Trustee, Jo Ann Young Revocable Trust | George Young | P.O. Box 771465 | | | Orlando | FL | 32877-1465 | |
| Georgia Klinger Revocable Trust UAD 3/21/00 | Georgia Klinger | 1017 Beltona Dr | | | Olney | IL | 62450 | |
| Georgia Watkins | | 4428 Linpark Dr. | | | Birmingham | AL | 35222 | |
| Gerald Hegler | | 7240 Queenstown Ave. | | | Birmingham | AL | 35206 | |
| Gerald L. Peters Trad. IRA VFTC as Custodian | Geral L. Peters | 149 Beech Dr | | | Petersburg | IL | 62675 | |
| Gerald O. Tucker | | 109 Foxhill Dr N.W. | | | Birmingham | AL | 35215 | |
| Gerald Robertson Enterprises Inc | | 3171 County Hwy 1 | | | Oneonta | AL | 35121 | |
| Gerald W Wilkerson | | 4609 Amberwood Drive | | | Anniston | AL | 36207 | |
| Geraldine Franklin | | 7949 Country Creek Dr. | | | Morris | AL | 35116 | |
| Gerard A. OConnor Janet K. OConnor | | 6121 NW 19th Place | | | Gainesville | FL | 32605-3247 | |
| Gerard A. OConnor Janet K. OConnor | Fidelity Investments | FBO Gerard A OConnor Janet K OConnor | P.O. Box 770001 | | Cincinnati | OH | 45277-0003 | |
| Gerard A. OConnor Janet K. OConnor | Gerard A. OConnor | 6121 NW 19th Place | | | Gainesville | FL | 32605-3247 | |
| Gertha D. Humphrey | | 6024 Jesse Owens Ave | | | Birmingham | AL | 35228 | |
| Gertha R. Carnathan | | 4312 Newton St | | | Birmingham | AL | 35217-3726 | |
| Giattina Fisher Aycock | | 1827 1st Ave. N., Ste 100 | | | Birmingham | AL | 35203 | |
| Gilbert F. Douglas, III | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| GILLIAN JAMES | | 6267 ANNE DR | | | PINSON | AL | 35126 | |
| GILLILAND PAUL | | 6524 STEMLEY RD | | | TALLADEGA | AL | 35160 | |
| Gilmer William C | Mary Douglas HawkinsGalloway and Scott LLC | 2200 Woodcrest Pl Ste 310 | | | Birmingham | AL | 35209 | |
| Gina Tate | | 6053 Steeple Chase Dr. | | | Pinson | AL | 35126 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|--------------------------------|--------------------------------------|----------|-----------------|-------|------------|---------|
| Ginger F. Roberts | | 1005 Cherrybrook Cir. | | | Birmingham | AL | 35214 | |
| Gladys Honorof Rev Living Trust, Gladys Honorof Trustee | | 3620 Joseph Drive | | | West Palm Beach | FL | 33417 | |
| Gladys Smith | | 225 Medford | | | Knoxville | TN | 37922 | |
| Gladys Stein Trust | Justith Tirbin TTEE | 12805 Maple Road | | | North Miami | FL | 33181-2449 | |
| Glenda C. Bolze | | 2903 Phelan Circle SE | | | Hanceville | AL | 35077-7547 | |
| Glenda Faye Husband | | 4002 Oakwood Dr. | | | Adamsville | AL | 35005 | |
| Glenda Roberta Finley | | 805 Nebraska Cir. | | | Birmingham | AL | 35224 | |
| Glenford J. Myers | | 3260 NW 112th Pl | | | Portland | OR | 97229 | |
| Glenn A. Rodehorst | | 511 Willard Avenue | P.O. Box 337 | | Genoa | NE | 68640 | |
| Glenn A. Rodehorst | First Southwest | 325 N St Paul St Ste 800 | | | Dallas | TX | 75201 | |
| Glenn A. Rodehorst | St. Bernard Financial | c/o Robert Keenan | 2621 W Main St Ste 6 | | Russelville | AR | 72801 | |
| Glennis Charles Harris | | 712 Crowne Dr. | | | Birmingham | AL | 35224 | |
| Gloria Bahakel | | 403 22nd Ave. S | | | Birmingham | AL | 35205 | |
| Gloria D. Turner | | 109-18th St. SW | | | Birmingham | AL | 35211 | |
| Gloria Dowdell | | 1309 35th St. | | | Birmingham | AL | 35218 | |
| Gloria J. Carlisle | | 2404 Brookhaven Ave. SW | | | Birmingham | AL | 35211 | |
| Gloria W. Loser | | 504 Mixson Street | | | Enterprise | AL | 36330-1841 | |
| GLOVER GARY | | 4345 BUTLER TANNER RD | | | DORA | AL | 35062 | |
| Glyn Howton | | 2630 Mud Creek Rd. | | | Adger | AL | 35006 | |
| Glynis V. Purdy | | 9 Shadwood Cir., Apt. C | | | Birmingham | AL | 35215 | |
| GODWIN SHIRLEY | | 5201 CYPRESS ST | | | GARDENDALE | AL | 35071 | |
| Golden West Telecommunications Cooperative, Inc. | | P.O. Box 411 | | | Wall | SD | 57790 | |
| Goode Isaac W | | 1761 Cherry Ave | | | Birmingham | AL | 35214 | |
| GOODSON JEFF | | 2448 WINE RIDGE DR | | | BIRMINGHAM | AL | 35244 | |
| GOOLSBY DOUGLAS | | 309 DOGWOOD DR | | | SYLVAN SPRINGS | AL | 35118 | |
| Gorky Chin | | 5733 Willowdale Road | | | Springfield | OH | 45502 | |
| GOSSETT ROGER | | 1541 LILLY LN | | | BESSEMER | AL | 35023 | |
| Govindasamy Durairaj IRA | Govindasamy Durairaj | 5 Waterford Glen | | | San Antonio | TX | 78257 | |
| Grace or Thomas Lamar | | 600 Vzcr 3528 | | | Wills Point | TX | 75169 | |
| Grady C. Gaither | | 1234 Co Hwy 45 | | | Hayden | AL | 35079 | |
| Grady Graves | | 389 Simmons Rd. | | | Cleveland | AL | 35049 | |
| Graham Maxey | | 1028 Timberline Trail | | | Birmingham | AL | 35215 | |
| Grandview Equipment Co, Inc. | c/o Jack J. Hall, Jr., Esq. | Hall, Conerly & Bolvig, PC | 1400 Fin. Ctr., 505 N 20th St. | | Birmingham | AL | 35203 | |
| Grandview Equipment Company Inc | c o Jack J Hall Jr EsqHall Conerly and Bolvig PC | 1400 Financial Ctr | 505 N 20th St | | Birmingham | AL | 35203 | |
| Grant Capital Management | Christopher M. Winter | c/o Duane Morris | 1100 North Market Street, Suite 1200 | | Wilmington | DE | 19801 | |
| Graphic Corporation of AL | | 130 Wildwood Pkwy | St 108 Unit 325 | | Birmingham | AL | 35209 | |
| Gray Jean | | 1405 Acorn Way W | | | Mt Olive | AL | 35117 | |
| Graybar Electric Company | | P.O. Box 403052 | | | Atlanta | GA | 30384-3052 | |
| Graylon M. Hicks | | 9590 Hicks Rd. | | | Pinson | AL | 35126 | |
| Graysville Water/Gas | | P.O. Box 130 | | | Graysville | AL | 35073 | |
| Greater Birmingham | | P.O. Box 540 | | | Fairfield | AL | 35064-0540 | |
| Green Jerry | | c o Geraldine Raines | PO Box 563 | | Chelsea | AL | 35043 | |
| Green Kristen | | 2122 5th Way N W | | | Center Point | AL | 35215 | |
| GREEN LATONYA | | 2200 LITTLE VALLEY RD APT C | | | HOOVER | AL | 35216-4375 | |
| Greg Reeves | c/o Don L. Hall, Esq. | Hall & Tucker, LLC | 1616 3rd Ave. N | | Bessemer | AL | 35020 | |
| Gregg Keith | | c o Freddie Mae Gregg | 4229 2nd Ave S | | Birmingham | AL | 35222 | |
| Gregory D James | | 1440 Pleasant Hill Road | | | Birmingham | AL | 35224 | |
| Gregory Dewayne Jackson | | 3631 4th St. W | | | Birmingham | AL | 35207 | |
| Gregory J. and Christine J. Lavorgna | | 200 N. Ormond Ave. | | | Havertown | PA | 19083 | |
| Gregory James | | 5215 Sicard Hollow Rd. | | | Birmingham | AL | 35242 | |
| Gregory Mayo | | 2324 5th St. NW | | | Birmingham | AL | 35215 | |
| Gregory W. Waleke, Jean M. Waleke TIC | | 302 Lombardy Dr. | | | Sugar Land | TX | 77478 | |
| Gregory Walker | | 5651 Pochontas Rd. | | | Bessemer | AL | 35111 | |
| Grove Partners Of Birmingham LLC | | P.O. Box 150254 | | | Nashville | TN | 37215 | |
| Guardian Systems | | P.O. Box 190 | | | Leeds | AL | 35094 | |
| Gulf South Medical Supply Inc | | P.O. Box 841968 | | | Dallas | TX | 75284-1968 | |
| Gulf States Distributors | | 6000 E Shirley Ln. | | | Montgomery | AL | 36117 | |
| GUNN DONALD | | 3415 OLD GAP RD | | | BESSEMER | AL | 35022 | |
| Gunn Jr Arthur H | | 4120 Woodridge Ln | | | Pleasant Grove | AL | 35127 | |
| Guolin Deng / Xinwei Cui Deng | Fidelity Investments Acct # X92-135682 | 1249 Chenille Circle | | | Weston | FL | 33327 | |
| Gurbakshish S Rana & Rajsharan K. Rana | | 21113 NE 129th Ct. | | | Woodinville | WA | 98077 | |
| GURLEY SCOTT | | 9237 BILL JONES RD | | | WARRIOR | AL | 35182 | |
| Gussie Mae Pittman | | 1717 3rd Ave. W | | | Birmingham | AL | 35208 | |
| GUTHRIE STEVEN J | | 3373 N WILDEWOOD DR | | | PELHAM | AL | 35124-1252 | |
| Gwen Gill | | 102 Smith Ridge Way | | | Odenville | AL | 35120 | |
| Gwen Walker Rooks | | 631 W Tigrett | | | Halls | TN | 38040-1136 | |
| Gwenada Smith | | 907 Valley Ridge Dr., Apt. 202 | | | Homewood | AL | 35209 | |
| Gwendolyn Bryant | | 482 7th Ave. SW | | | Hoover | AL | 35022 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|--------------------------------|-----------------------------------|----------|----------------|-------|------------|---------|
| Gwendolyn D. Freney | | 2345 6th Pl. NW | | | Birmingham | AL | 35215 | |
| Gwendolyn Jean Bryant | | 1625 Martin Ave. | | | Birmingham | AL | 35214 | |
| Gwendolyn Jean Bryant | | 741 Sprucewood Lane | | | Birmingham | AL | 35214 | |
| Gwendolyn Johnson | | 513 7th Street P O Box 198 | | | Docena | AL | 35060 | |
| Gwendolyn Prince | | 613 Golden Crest Cr. | | | Birmingham | AL | 35209 | |
| Gwyneth Cephus | | 1404 Brandy Pl. | | | Birmingham | AL | 35214 | |
| H & L Realty, LLC | | 2453 Vestavia Dr. | | | Birmingham | AL | 35216 | |
| H N R Plumbing | | P.O. Box 518 | | | Moody | AL | 35004 | |
| H. Larry Wentz, TTEE, H. Larry Wentz, Rev Liv Trust | | 11421 Mourning Dove Pl | | | Painesville | OH | 44077-9337 | |
| H. Larry Wentz, TTEE, H. Larry Wentz, Rev Liv Trust | H. Larry Wentz | 11421 Mourning Dove Pl | | | Painesville | OH | 44077-9337 | |
| H.T. Hunnewell 2nd Irr. Trust | | P.O. Box 1210 | | | Graham | TX | 76450 | |
| H.T. Hunnewell 3rd Irr. Trust | | P.O. Box 1210 | | | Graham | TX | 76450 | |
| H.T. Hunnewell 4th Irr. Trust. | | P.O. Box 1210 | | | Graham | TX | 76450 | |
| Hach Company | | 2207 Collections Ctr Dr | | | Chicago | IL | 60693 | |
| Hacienda Bogan Ray | | 181 Addison Dr. | | | Calera | AL | 35040 | |
| Hae Boon Kim | | 1029 Ryecroft Cir | | | Pelham | AL | 35124-1521 | |
| Hagemeyer North America | | P.O. Box 404753 | | | Atlanta | GA | 30384-4753 | |
| Hali Chambers | | 2901 S King Apt 613 | | | Chicago | IL | 60616-3396 | |
| Hall Jr Billy Jay | | 2601 2nd Pl NW | | | Birmingham | AL | 35215 | |
| Hall Julie | | 108 Twin Lakes Rd | | | Trussville | AL | 35173 | |
| Hall Melvin | c o William V Powell Jr EsqPowell and Denny | 1320 Alford Ave Ste 201 | | | Birmingham | AL | 35226 | |
| Hallgren Family Trust | F David Hallgren | 3 Springside | | | Dove Canyon | CA | 92679 | |
| HAMPTON DWIGHT | | 1631 4TH TERRACE N | | | BIRMINGHAM | AL | 35208 | |
| Hampton Processing Svc. Ctr. LLC | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Hanson Pipe & Products | | P.O. Box 842481 | | | Dallas | TX | 75284-2481 | |
| Hanuman LLC | | 800 Hollywood Blvd. | | | Tuscaloosa | AL | 35405-6224 | |
| Hardees Food Systems Inc | c o Robin Beardsley Mark Esq | Sirote and Permutt PC | 2311 Highland Ave S | | Birmingham | AL | 35205 | |
| Hardees Food Systems, Inc. | c/o Robin Beardsley Mark, Esq. | Sirote & Permutt, PC | 2311 Highland Ave. S | | Birmingham | AL | 35205 | |
| HARDISTY MARY | | 4492 MIDDLE ST | | | MULGA | AL | 42388 | |
| Hardy L. Kershell | | 5356 County Hwy 47 | | | Blountsville | AL | 35031 | |
| Harmon H. Edson, Jr. | | 6480 Richmar Dr. | | | Trussville | AL | 35173 | |
| Hamandus Munez | | 4400 6th Ave. | | | Birmingham | AL | 35224 | |
| Harold A Ricards Jr and Eleanor C Ricards | Harold & Eleanor Ricards | 11902 Heritage Lane | | | Houston | TX | 77024 | |
| Harold E Parsons | | Jefferson County Courthouse | 716 Richard Arrington Jr Blvd N | | Birmingham | AL | 35203 | |
| Harold E Parsons III | | 7009 Shady Oaks Lane | | | Trussville | AL | 35173 | |
| Harold E. Parsons, III | | 6213 Emerald Forrest Dr. | | | Pinson | AL | 35126 | |
| Harold Fainberg & Everett Fainberg & Karen Segev TTEE | Harold Fainberg Revocable Trust U/A DTD 3/1/94 | 2490 N Park Rd # 115N | | | Hollywood | FL | 33021-3714 | |
| Harold Fainberg & Everett Fainberg & Karen Segev TTEE | Karen Segev | Trustee | 20191 E Country Club Dr TS4 | | Aventura | FL | 33180 | |
| Harold Fainberg Revocable Trust | | 2490 N. Park Rd. 115 N | | | Hollywood | FL | 33021 | |
| Harold Gottschall Rev Tr Harold Gottschall TTEE | | 10262 Heronwood Lane | | | West Palm Bch | FL | 33412 | |
| Harold S. Wilkes & Donna B. Wilkes | | 940 Knollwood Circle | | | Cheshire | CT | 06410 | |
| Harold Wolle Jr | | 75996 Hammond Hwy | | | St. James | MN | 56081-5512 | |
| Harper Mercedes | | c o Anita Scott PO Box 455 | | | Birmingham | AL | 35201 | |
| Harriette A. Reed | | 705 Sunhill Rd., Apt. C | | | Birmingham | AL | 35215 | |
| Harris Charles | | 2329 1st Ave N Apt 304 | | | Birmingham | AL | 35203-4330 | |
| Harris P. Blanchard | | 36 Driftwood Blvd | | | Kenner | LA | 70065 | |
| Harry H. Riddick as Trustee Under Agreement Date 12/20/1999 | Harry H. Riddick | 5 Ashley Drive | | | Mobile | AL | 36608 | |
| Harford Life & Accident Inc. Co. | | P.O. Box 8500-3690 | | | Philadelphia | PA | 19178-3690 | |
| Hasmukh N. Jariwala Trust Hasmukh N. Jariwala TTEE | Hasmukh N. Jariwala | 2121 Brook Highland Ridge | | | Birmingham | AL | 35242 | |
| Hasmukh N. Jariwala Trust Hasmukh N. Jariwala TTEE | Merrill Lynch | 100 Grandview Place, 2nd Floor | | | Birmingham | AL | 35243 | |
| Hattie Mae Shears | | 9475 Park Rd., P.O. Box 292 | | | Trafford | AL | 35172 | |
| Hayden Wood | | 4016 Knollwood Dr | | | Mountain Brook | AL | 35243 | |
| Hayden Wood | Cheryl Casebere | 100 Grandview Pl 2nd Floor | | | Birmingham | AL | 35242 | |
| Hayward Hayes, Jr. | | 167-H Westlake Cr SW | | | Bessemer | AL | 35180 | |
| Hayward Hayes, Jr. | | 167-H Westlake Cir. SW | | | Bessemer | AL | 35020 | |
| Haywood Jones | | 1957 Castleberry Way | | | Birmingham | AL | 35214 | |
| Hazel M. Meadows | | 1440 Princeton Ave. SW | | | Birmingham | AL | 35211 | |
| HBC HOLDING LLC | | 6309 PINNIACLE CIR | | | MT OLIVE | AL | 35117 | |
| HDT Engineered Technologies | | 6051 N Lee Hwy. | | | Fairfield | VA | 24435 | |
| HEAD MELVIN | | 9494 OLD TOADVINE RD | | | BESSEMER | AL | 35023 | |
| Heartwood 88 LLC | c o Frank C Galloway III EsqGalloway and Scott LLC | 2200 Woodcrest Pl Ste 310 | | | Birmingham | AL | 35209 | |
| Heath Allen Hester | | 2228 27th Ave. N | | | Hueytown | AL | 35023 | |
| Heather Fisher | | 9975 Camp Oliver Road | | | Adger | AL | 35006 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|---------------------------------|------------------------------|----------|----------------|-------|------------|---------|
| Heather L. Stephens | | 1721 11th Place, So. Apt E | | | Birmingham | AL | 35205 | |
| Helen D Rumley Cunningham | | 801 Kent Dr | | | Odenville | AL | 35120 | |
| Helen J. Santee | Jack H. Santee, Trustee | 401 S. Boston, Ste 1100 | | | Tulsa | OK | 74103 | |
| Helen J. Santee, Jack H. Santee, Trustees - Helen J. Santee Revocable Trust Dated 12/20/2006 | Helen J. Santee | Jack H. Santee, Trustee | 401 S. Boston, Ste 1100 | | Tulsa | OK | 74103 | |
| Helen J. Santee, Jack H. Santee, Trustees - Helen J. Santee Revocable Trust Dated 12/20/2006 | Helen J. Santee, Trustee | 3627 Terwilliger Blvd | | | Tulsa | OK | 74105-3433 | |
| Helen Sue White | | 21344 Brenda Dr | | | McCalla | AL | 35111 | |
| Helena Chemical Company | | P.O. Box 198153 | | | Atlanta | GA | 30384-8153 | |
| Heller Draper Patrick & Horn LLC | Attn William H. Patrick III | 650 Poydras Street, Suite 2500 | | | New Orleans | LA | 70130 | |
| Hendon Engineering Assoc Inc | Roger C FosterLaney and Foster | PO Box 43798 | | | Birmingham | AL | 35243-0798 | |
| Hendon Engineering Associates, Inc. | c/o Roger C. Foster | Laney & Foster | P.O. Box 43798 | | Birmingham | AL | 35243-0798 | |
| Henry A Dihm & Vonda F. Dihm | | 927 Dewitt Dr | | | Huntsville | AL | 35802-1914 | |
| Henry A Parker & Connie M Parker (JTWROS) | Henry A Parker | 1256 Highland Parkway | | | Morris | AL | 35116 | |
| Henry H. Fayet, Jr. | | 850 Blue Ridge Rd., Unit B | | | Blountsville | AL | 35031 | |
| Henry J. Hines, Jr. | | 1052 Sunhill Road | | | Birmingham | AL | 35215 | |
| Henry Schein | | Dept. Ch. 10241 | | | Palatine | IL | 60055 | |
| Henry Schein Inc. | | 135 Duryea Rd. | | | Melville | NY | 11747 | |
| Henry T. Maslowski | | 145 Kingsley Drive | | | Yonkers | NY | 10710 | |
| HENRY WILLIAM | | 2007 CAYWOOD DR NW | | | CLEVELAND | TN | 37311 | |
| Herbert C. Bobb | c/o Cynthia McKinney | 6036 Copeland Mills Drive | | | Indianapolis | IN | 46221 | |
| Herbert Dwayne Cooper | | 1121 Skyline Dr. | | | Birmingham | AL | 35214 | |
| Herbert P. Landreth, Jr. | | 4886 Shadyview Dr. | | | Adamsville | AL | 35005 | |
| Herman Bell | | 4740 Terr. Rd. | | | Birmingham | AL | 35208 | |
| Hermanski Jackson | | 4108 Southern Ave | | | Baltimore | MD | 21206 | |
| Hernandez James | c o Robert Potter EsqMann Cowan and Potter PC | 2000 B SouthBridge Pkwy Ste 601 | | | Birmingham | AL | 35209 | |
| High, Steve | AAA Insurance | P.O. Box 66502 | | | St. Louis | MO | 63166 | |
| Hilb Rogal & Hamilton | | P.O. Box 10607 | | | Birmingham | AL | 35202-0607 | |
| Hill Administrative Services Inc | | 115 Office Park Dr-Ste 200 | | | Birmingham | AL | 35223 | |
| HINES QUIJANA R | | 24 FAIRFAX AVE | | | BIRMINGHAM | AL | 35214-4506 | |
| HOLDBROOKS KRISTI L | | 105 Blue Springs Pl. | | | Alabaster | AL | 35007-5191 | |
| Hollie B. Brown Jr. | | 545 Leewood Lane | | | Birmingham | AL | 35214 | |
| Holz Family Trust | Marvin C Holz | 2117 W Apple Tree Rd | | | Glendale | WI | 53209-3307 | |
| Home Builders Association Of Alabama | | P.O. Box 241305 | | | Montgomery | AL | 36124-1305 | |
| Hometown Ford-Dodge Chrysler | | 801 Columbus Pkwy. | | | Opelika | AL | 36801 | |
| Homewood City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Homewood Fire & Rescue | | 1903 29th Ave. S | | | Homewood | AL | 35209 | |
| Honors Real Estate & Asset Management | | 174 Oxmoor Rd | | | Birmingham | AL | 35209-5941 | |
| Hoover City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Hoover Fire Department | Williamson Scott | 800 Municipal Dr | | | Hoover | AL | 35216 | |
| Hope E. Kinch | | 917 Rivlin Rd S.E. | | | Huntsville | AL | 35801-2236 | |
| Howard & Rebecca Heffelfinger | | 1301 Old Carriage Ln | | | Huntsville | AL | 35802-2766 | |
| Howard A. Hickey | | 1061 Alliance Rd | | | Bessemer | AL | 35023 | |
| Howard D. Holsomback | | 1950 Stone Mill Rd. | | | Trussville | AL | 35173 | |
| Howard E. Duncan | c/o Frank C. Galloway, III, Esq. | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | | Birmingham | AL | 35209 | |
| HOWARD JIMMIE J | | 3444 30TH WAY N | | | BIRMINGHAM | AL | 35207-3504 | |
| Huberta D. Mayfield-Howe | | 1216 15th St. | | | Pleasant Grove | AL | 35127 | |
| Huel M. Carter, Esq. | | Carter Law Firm | P. O. Box 538 | | Fultondale | AL | 35068 | |
| Huggs And Kisses Inc | | 1716 5th Avenue North | | | Birmingham | AL | 35203 | |
| Hugh Brashier | | P.O. Box 81189 | | | Lafayette | LA | 70598-1189 | |
| HUGHES HOWARD | | 960 WESTWOOD RD | | | MOUNT OLIVE | AL | 35117 | |
| Hughes Lucky | | c o Rickey Allison | 1003 Scotch Heather Ave | | Mt Airy | MD | 21771 | |
| Humana Compbenefits | | P.O. Box 219051 | | | Kansas City | MO | 64121-9051 | |
| Hydra Service | | P.O. Box 365 | | | Warrior | AL | 35180 | |
| Hymie Ronald Vinik and Sandra Vinik | H.R. Vinik | 3128 Warrington Road | | | Birmingham | AL | 35223 | |
| ID Wholesaler | | 1501 NW 163rd St. | | | Miami | FL | 33169 | |
| Ida B. Swift | | 417 Ferncliff Dr | | | Birmingham | AL | 35213 | |
| Ida Bell Steele | | 3010 6th Ave. N | | | Bessemer | AL | 35020 | |
| IDEXX Distribution Inc. | | P.O. Box 101327 | | | Atlanta | Gab | 30392-1327 | |
| Implementation Svcs Group Inc | | 8216 Big View Drive | | | Austin | TX | 78730 | |
| Independent Medical Associates | | 11733 66th St. N, Ste. 113 | | | Largo | FL | 33773 | |
| Industrial Chemicals Inc. | | P.O. Box 660688 | | | Birmingham | AL | 35266-0688 | |
| Ingram Equipment Company LLC | | P.O. Box 1907 | | | Pelham | AL | 35124 | |
| Ingrum Karl V | c o Roger D Burton EsqRoger D Burton PC | Rogers Taylor Manor | 1905 14th Ave S | | Birmingham | AL | 35205 | |
| Inman/Otcheck Family Trust U/A 2/27/06 | David Lynn Inman | 761 River Oaks Dr | | | Fairview | TX | 75069 | |
| Inmark Inc | | P.O. Box 536888 | | | Atlanta | GA | 30353-6888 | |
| Integra | | 807 Wisconsin Street | P.O. Box M | | Walworth | WI | 53184-9517 | |
| Integrated Medical Systems | | P.O. Box 934683 | | | Atlanta | GA | 31193-4683 | |
| INTEGRATED ORBITAL | | 11230 SORRENTO VALLEY RD STE | | | SAN DIEGO | CA | 92121-1348 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|----------------------------------|---|------------------------------------|----------|----------------|-------|------------|---------|
| Interactive Data | | Attn Repository | 100 Williams St. | | New York | NY | 10038 | |
| Interactive Solutions Inc | | 3860 Forest Hill Irene | | | Memphis | TN | 38125 | |
| Internal Revenue Service | | 801 Tom Martin Drive | M/S 126 | | Birmingham | AL | 35211 | |
| Internal Revenue Service | Centralized Insolvency Operation | 600 Arch St | | | Philadelphia | PA | 19106 | |
| International Code Council | | 900 Montclair Road | | | Birmingham | AL | 35213-5795 | |
| Intersystems Corporation | | P.O. Box 84-5809 | | | Boston | MA | 02284-5809 | |
| Intl Assoc. of Emergency Managers | | 201 Park Washington Court | | | Falls Church | VA | 22046-4527 | |
| IOP Incorporated | | 3184-B Airway Ave. | | | Costa Mesa | CA | 92626 | |
| Ira E. Rutherford | | PMB 419 | 11703 Huebner Rd. #106 | | San Antonio | TX | 78230 | |
| Iron Mountain Incorporated | | 3000 2nd Ave. S | | | Birmingham | AL | 35233 | |
| Irving Lee Davis | | 932 Hillcrest Ave. | | | Birmingham | AL | 35235 | |
| Isaac W. Goode | | 1761 Cherry Ave. | | | Birmingham | AL | 35214 | |
| Isecuretrac | | 5078 S 111th St. | | | Omaha | NE | 68137 | |
| ITC Deltacom | | P.O. Box 2252 | | | Birmingham | AL | 35246-1058 | |
| Ivans Inc. | | P.O. Box 850001 | | | Orlando | FL | 32885-0033 | |
| J & H Londos TR B Gail G. Magnabosco & Marcella Ann Londos, TTEES | Michael L. Ralph | Ralph, Schwab & Schiever, Chartered | 175 E. Hawthorn Parkway, Suite 345 | | Vernon Hills | IL | 60061 | |
| J and M Gaming LLC | c o Samuel R McCord Esq | 2126 Morris Ave | | | Birmingham | AL | 35203 | |
| J Dobson & R Dobson & N Dobson - Judy Lynn Harden - Dobson Trust | Rick & Judy Dobson | 14622 Lindale Rose Ln | | | Humble | TX | 77396 | |
| J L Morgan & Assoc Inc. | | P.O. Box 360481 | | | Birmingham | AL | 35242 | |
| J. P. Morgan Securities, Inc. | | 270 Park Ave., 7th Fl. | | | New York | NY | 10017 | |
| J. Ralph Wood, Jr. | | P.O. Box 25148 | | | Dallas | TX | 75225-1148 | |
| J. W. Davis | | 1129 Dogwood Lane | | | Birmingham | AL | 35215 | |
| J.P. Morgan Securities LLC, relating to Warrant Agreements and Remarketing Agreements | Simpson Thacher & Bartlett LLP | Attn Steven M. Fuhrman, Esq and Elisha D. Graff, Esq. | 425 Lexington Avenue | | New York | NY | 10017 | |
| Jack C. & Socorro W. Millis- Deceased now Marilyn N. Millis Trust UAD 12/19/1993 | Jack C. Millis | 110 Puma Circle | | | El Paso | TX | 79912-4808 | |
| Jack C. Millis & Marilyn Nancy Millis TTEE UAD 12.19.1993 | Jack C. Millis | 110 Puma Circle | | | El Paso | TX | 79912-4808 | |
| Jack D. Carl | | 54 Pinecrest Dr. | | | Birmingham | AL | 35223 | |
| Jack L. Bankston | | 1241 6th Street | | | Pleasant Grove | AL | 35127 | |
| Jack N. Johnson | | 1325 Arapahoe St | | | Thermopolis | WY | 82443 | |
| Jackie Talley | | 2108 Shadybrook Ln. | | | Birmingham | AL | 35236 | |
| Jackson Shanda L | Robert C Keller | 315 Gadsden Hwy Ste D | | | Birmingham | AL | 35235 | |
| Jacksonville State University | | 700 Pelham Road North | | | Jacksonville | AL | 36265-1602 | |
| Jacob H. Rouse | | 465 Moss Rock Cir. | | | Warrior | AL | 35180 | |
| Jacob Waldrup | | 2154 SW 16th Street | | | Miami | FL | 33145 | |
| Jacqueline C. Richards | | 7415 Lucky Cr | | | Pinson | AL | 35126 | |
| Jacqueline D. Banks | | 3207 Springdale Dr. | | | Dothan | AL | 36303-1147 | |
| Jacqueline Joanice Anderson | | 1844 St. Charles Ct. SW | | | Birmingham | AL | 35211 | |
| Jacqueline M. Bostick | | 1594 Wilderness Ln. | | | Birmingham | AL | 35235 | |
| Jacqueline Wiggins | c/o Roger D. Burton, Esq. | Roger D. Burton, PC | 1905 14th Ave. S | | Birmingham | AL | 35205 | |
| Jacquelyn Smith | | 1141 16th St. SW | | | Birmingham | AL | 35211 | |
| Jalisa Danyelle Daniels | | 3224 Hemlock Ave | | | Birmingham | AL | 35221 | |
| Jamaal A. Bell | | 331 7th St. S | | | Bessemer | AL | 35020 | |
| Jamaal Fernantahya Daniel | | 660 Valley Crest Dr., Apt. L218 | | | Birmingham | AL | 35215 | |
| James A. Farley | | 4665 Nicholas Dr. | | | Bessemer | AL | 35022 | |
| James A. Stephens, Commissioner | | 716 Richard Arrington Jr. Blvd. N | Room 210, Jeff. County Courthouse | | Birmingham | AL | 35203 | |
| James Adam, Jr. | | 917 Fairfax Ave. | | | Bessemer | AL | 35020 | |
| James B. Green III | | 1224 Fieldstown Rd | | | Gardendale | AL | 35203 | |
| James Craig Frerichs & Bonnie Lou Frerichs | James & Bonnie Frerichs | 4031 SW 7th Ave | | | Cape Coral | FL | 33914 | |
| James Craig Frerichs Bonnie Lou Frerichs | James & Bonnie Frerichs | 4031 SW 7th Ave | | | Cape Coral | FL | 33914 | |
| James D. & Peggy T. Kimbrough | | 1301-Vaughn Bridge Rd N.W. | | | Hartselle | AL | 35640 | |
| James D. Fowler | | 5412 Cornell Dr | | | Birmingham | AL | 35210 | |
| James D. Morgan IRA | James D. Morgan | 5229 Fieldcrest Ave. | | | Alexandria | LA | 71303 | |
| James David May | | 315 Greentree Dr. | | | West Blocton | AL | 35184 | |
| James E Howlett | | 1304 Swafford Road SW | | | Cullman | AL | 35055 | |
| James E. Clark | | 320 Englewood Dr | | | Fairfield | AL | 35064 | |
| James E. Sprouse | c/o Jesse P. Evans, III, Esq. | Haskell, Slaughter | 2001 Park Pl. N, #1400 | | Birmingham | AL | 35203 | |
| James E. Watkins | | 1325 Lakeview Dr | | | Gray Court | SC | 29645 | |
| James Ewell Barkley | | 211 Sawgrass Dr. | | | Dothan | AL | 36303 | |
| James F. McClelland | | 800 Beacon Dr. | | | Fairfield | AL | 35064 | |
| James F. Scheffer / James F. Scheffer Rev. Trust | James F. Scheffer | 2717 Glencairm Drive | | | Fort Wayne | IN | 46815 | |
| James G Denny and Katherine W Denny | | 7809 Shadow Bend Dr. SE | | | Huntsville | AL | 35802 | |
| James G Sullivan | | Ctr Point Rd | | | Center Point | AL | 35215 | |
| James Greer | | 22826 Rachels Manor Drive | | | Katy | TX | 77494 | |
| James H. Murdock Jr. | | 8620 Oscar Bradford Rd. | | | Hayden | AL | 35079 | |
| James H. Richie | | 524 9th Terrace | | | Pleasant Grove | AL | 35127 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|---------------------------------------|-----------------------------------|----------|----------------|-------|------------|---------|
| James H. White | Baker Donelson Bearman Caldwell & Berkowitz, P.C. | 420 20th Street North, Suite 1600 | | | Birmingham | AL | 35203 | |
| James Harris | | 5008 Kenley Way | | | Birmingham | AL | 35242 | |
| James Hartwell Whatley | | 7017 Montrose Rd. | | | Birmingham | AL | 35242 | |
| James Henry Coleman | | 1124 15th Street, N | | | Birmingham | AL | 35234 | |
| James Hernandez | c/o Robert Potter, Esq. | Mann, Cowan & Potter, P.C. | 2000-B SouthBridge Pkwy, Ste. 601 | | Birmingham | AL | 35209 | |
| James Hilgers | | 268 Marwood Dr. | | | Birmingham | AL | 35244 | |
| James Howe Swisher | James H. Swisher | 126 Misty Lake Drive | | | Murphysboro | IL | 62966-5216 | |
| James I. Kennedy | | 123 Maple Tree. | | | Hoover | AL | 35244 | |
| James Joshua Williamson | | 120 Aspen Cir Apt 303 | | | Homewood | AL | 35209-4691 | |
| James K Mitchell Trust | | 1420 Picket Dr | | | Lancaster | PA | 17601-4581 | |
| James K. Atkinson | | 317 Castleman Ln. | | | Leeds | AL | 35094 | |
| James L. Baldwin | | 60 Branch Lane | | | Empire | AL | 35063 | |
| James L. Franklin | | 1053 Cardinal Cir. | | | Hueytown | AL | 35023 | |
| James L. McKinnon, Jr. | | 1117 13th Ct. | | | Pleasant Grove | AL | 35127 | |
| James Lindsey White | | 1174 Curt Jarrett Rd. | | | Ashville | AL | 35953 | |
| James M. Roberson | | 4426 South Dr. | | | Pinson | AL | 35126 | |
| James Michael Goodwin | | 3314 Happy Top Rd. | | | Morris | AL | 35116 | |
| James O. Byers | | 516 Clear View Rd. | | | Odenville | AL | 35120 | |
| James O. Duncan, Jr. | | 2621 Foothills Drive | | | Hoover | AL | 35226 | |
| James O. Smith, Sr. | | 326 Greenleaf Dr. | | | Birmingham | AL | 35214 | |
| James P Neill | | 600 Dunmore Circle | | | Hoover | AL | 35226 | |
| James P. Willoughby | | 9001 Bill Jones Rd. | | | Warrior | AL | 35180 | |
| James Patrick Nolan | | 1333 S. Perry Street | | | Montgomery | AL | 36104 | |
| James Pruitt | c/o Cynthia Wilkinson, Esq. | New South Fed. Savings Bldg. Ste. 811 | 215 N Richard Arrington Jr. Blvd. | | Birmingham | AL | 35203 | |
| James Pruitt | Larry Mann | 215 N. 21st St #701 | | | Birmingham | AL | 35203 | |
| James R. Pickel | | 415 Westview Avenue | | | Nashville | TN | 37205 | |
| James R. Pilkington Jr | | 519 Good News Rd | | | Pinson | AL | 35126 | |
| James R. Turner | | 9990 Mitchell Rd. | | | Empire | AL | 35063 | |
| James S. Lebsack | | P.O. Box 22215 | | | Denver | CO | 80222 | |
| James Stanley Pitts | | 389 Machen Rd | | | Ashville | AL | 35953 | |
| James V. Hawthorne | | 5614 Park Rd. | | | Sylvan Springs | AL | 35118 | |
| James Vella & Suzanne J. Vella | James Vella | 64 Lucinda Drive | | | Babylon | NY | 11702 | |
| James W. Cashatt | | 5130 Willowridge Cir. | | | Pinson | AL | 35126 | |
| James W. Nicholas Jr. | | 12914 Ann Marie Dr | | | McCalla | AL | 35111 | |
| James W. Short | | 5310 8th Rd., South, Apt. 5 | | | Arlington | VA | 22204 | |
| James W. Terrell | | 1328 46th St., Ensley | | | Birmingham | AL | 35208 | |
| James Walton Carns | | 1713 Pump House Ln. | | | Birmingham | AL | 35243 | |
| James Wesley Freeman | | 4641 Meadow Ln. | | | Dora | AL | 35062 | |
| Jamie Floyd Sullivan | | 4101 Dearing Downs Dr. | | | Tuscaloosa | AL | 35405 | |
| Jamie Lee Blalock | | 900 Frontier Dr | | | Pelham | AL | 35124 | |
| Jan L. Wynn | | 499 Fieldstone Dr | | | Helena | AL | 35080 | |
| Jana C. McPherson | | 5013 8th Terr. S | | | Birmingham | AL | 35212 | |
| Jane D. Guarino | | 492 Enclave Cir | | | Fultondale | AL | 35068-1590 | |
| Jane Hunt Applegate | | 724 Bailey Brook Cr | | | Hoover | AL | 35244 | |
| Janelle Elizabeth Sweeney | | 233 Quebec Dr. | | | Birmingham | AL | 35224 | |
| Janes A. Dunn | c/o Mary Douglas Hawkins | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | | Birmingham | AL | 35209-1378 | |
| Janet Bell | | Bessemer Courthouse | 1801 3rd Ave North | | Bessemer | AL | 35020 | |
| Janet Brown | | 4249 Gunar Drive | | | Byram | MS | 39272 | |
| Janet Burgess | | 24 Crest Dr. | | | Birmingham | AL | 35209 | |
| Janet L Lazar, TTEE Jerry C Lazar Living Trust | Janet Lazar, Trustee | Jerry C. Lazar Living Trust | 5603 Pipers Waite | | Sarasota | FL | 34235 | |
| Janet L. Lazar, TTEE Janet L. Lazar Living Trust | Janet Lazar, Trustee | 5603 Pipers Waite | | | Sarasota | FL | 34235 | |
| Janet Lazar Living Trust | Janet Lazar, Trustee | 5603 Pipers Waite | | | Sarasota | FL | 34235 | |
| Janet Marie Williams | | 1217 33rd St. S, Apt. J | | | Birmingham | AL | 35205 | |
| Janet S. Yelland, TTEE | | P.O. Box 670 | | | Menlo Park | CA | 94026-0670 | |
| Janet W. Brewer | | PO Box 4513 | | | Parkersburg | WV | 26104-4513 | |
| Janet Wimberly Brewer | c/o Heather Newsom Leonard, Esq. | Heather Leonard, PC | P.O. Box 43768 | | Birmingham | AL | 35243 | |
| Janice Faye Dozier | | 901 28th Street SW | | | Birmingham | AL | 35211 | |
| Janice G. Trucks | | 509 Waterford Highlands Court | | | Calera | AL | 35040 | |
| Janice L. Starbuck & William L. Starbuck | | 2474 S. 300 E | | | Winchester | IN | 47394 | |
| Janice L. Tolbert | | 4463 Nellie Anderson St. | | | Birmingham | AL | 35224 | |
| Janice Lloyd Parks | | 200 Christy Lane | | | Trussville | AL | 35173 | |
| Janice Mallette | | 2230 Dartmouth Ave. | | | Bessemer | AL | 35020 | |
| Janice Marie Lucas | | 6552 Ct. K | | | Birmingham | AL | 35211 | |
| Janis A. Sorrell | | 5825 Hummingbird Cir. | | | Pinson | AL | 35126 | |
| Janis McCurdy | | 2609 Court O Ensley | | | Birmingham | AL | 35218 | |
| Jannett Renna Lewis-Clark | | 104 60th St. | | | Fairfield | AL | 35064 | |
| JANPAK | | 175 AIRVIEW LN #1300 | | | ALABASTER | AL | 35007-4853 | |
| Jardin D. Shaw | | 1809 Center St. S | | | Birmingham | AL | 35205 | |
| Jasmine Shaneka Barrow | | PO Box 530154 | | | Birmingham | AL | 35253-0154 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|--|---------------------------------------|----------|------------------|-------|------------|---------|
| Jason D. Jenkins | | 2424 Mt Olive Rd. | | | Mt Olive | AL | 35117 | |
| Jason D. Smith | | 1086 Windsor Pkwy. | | | Moody | AL | 35004 | |
| Jason DeRamus | | 113 Macon Ct. | | | Calera | AL | 35040 | |
| Jason Henry Smith | | 8262 Mulvehill Road | | | Morris | AL | 35116 | |
| Jason Pilkington | | 72 Ridgewood Dr. | | | Hayden | AL | 35079 | |
| Jason R. Buchmann | | 5135 Amberwood Lane | | | Pinson | AL | 35126 | |
| Jason W. Whitley | | 420 Delta Ave. | | | Gardendale | AL | 35071 | |
| Jasons Deli | | Dept #271 | P.O. Box 4869 | | Houston | TX | 77210-4869 | |
| Jasper Electric Motor | | P.O. Box 1494 | | | Jasper | AL | 35502-1494 | |
| Jatonia H. Bryant | | 716 Barcelona Ct. | | | Birmingham | AL | 35215 | |
| Javan J. Patton | | 6328 Overlook Dr | | | Bessemer | AL | 35022 | |
| Jay D. Adelstein | US Dept. of Justice, Empl Lit Section | Civil Rights Div, Room 4500 | Patrick Henry Bldg 601 D Street, NW | | Washington | DC | 20004 | |
| Jay M. Glass | | 1125 Long Leaf Lake Dr | | | Bessemer | AL | 35022 | |
| JCCEO | | 300 8th Ave. W | | | Birmingham | AL | 35204 | |
| Jean Gray | | 1405 Acorn Way W | | | Mt. Olive | AL | 35117 | |
| Jean L. Churchman, Trustee | | 2150 Boutrerse 101 | | | Park Ridge | IL | 60068-2370 | |
| Jeanette M. Brabston | | 2085 21st Ave. S | | | Birmingham | AL | 35209 | |
| Jeanne Oliver Bryant | | 7119 3rd Ave. S | P O Box 55192 | | Birmingham | AL | 35255 | |
| JEANNINE C. FOX | | 11204 CEDAR | | | LEAWOOD | KS | 66211 | |
| Jeannine F. Hogue | | 4421 SW 91 Dr | | | Gainesville | FL | 32608 | |
| Jeff Hannah | | 45 Lee Circle | | | Hayden | AL | 35079 | |
| Jeff Stiefel | | 736 Burton Rd. | | | Jasper | AL | 35503 | |
| Jefferson Blount St. Clair | | 940 Montclair Rd. | | | Birmingham | AL | 35213 | |
| Jefferson C. Moore | | 6702 Forrest Dr #2 | | | Fairfield | AL | 35064 | |
| Jefferson County Bd. of Health | | P.O. Box 2648 | | | Birmingham | AL | 35202 | |
| Jefferson County Board of Education | Attn Superintendent Phillip B. Hammonds | 2100 18th Street South | | | Birmingham | AL | 35209 | |
| Jefferson County Dept. of Health | | 1400 6th Ave. S | | | Birmingham | AL | 35233-1598 | |
| Jefferson County Deputy Treasurer | | 1801 3rd Ave. N | | | Bessemer | AL | 35020 | |
| Jefferson County Emergency | | 709 North 19th Street | | | Birmingham | AL | 35203 | |
| Jefferson County Schools for Public Edu. Foundation | | 2100 S 18th St. | | | Birmingham | AL | 35209 | |
| Jefferson County Sewer Service Fund | | 716 Richard Arrington, Jr. Blvd. N | | | Birmingham | AL | 35203-0123 | |
| Jefferson County Treasurer | | 716 Richard Arrington Jr. Blvd. N | Room 300, Jefferson County Courthouse | | Birmingham | AL | 35203 | |
| Jeffery A. Brewer | | 1008 Aronimink Dr | | | Calera | AL | 35040 | |
| Jeffery Allen Abney | | 501 5th Ct. | | | Pleasant Grove | AL | 35127 | |
| Jeffery Sewell | | Jefferson County Courthouse | 716 Richard Arrington Jr Blvd N | | Birmingham | AL | 35203 | |
| Jeffery Weissman, D.D.S. Jeffery Weissman, D.D.S., P.C. & Keith Shannon, Class Representatives | Wilson Green | Fleenor and Green, LLP | 204 Marina Drive, Ste 200 | | Tuscaloosa | AL | 35406 | |
| Jeffery Weissman, D.D.S. Jeffery Weissman, D.D.S., P.C. | Fleenor and Green LLP | Wilson Green | 204 Marina Drive, Ste 200 | | Tuscaloosa | AL | 35406 | |
| Jeffrey Bankhead | | 8957 Roebuck Blvd., Apt. C | | | Birmingham | AL | 35206 | |
| Jeffrey Burl Forte | | 725 Vaughn Rd. | | | Trafford | AL | 35172 | |
| Jeffrey G. Ferguson | | 3004 Lisa Lane | | | Fultondale | AL | 35068 | |
| Jeffrey L. Perkins | | 5604 Elloit Circle | | | McCalla | AL | 35111 | |
| Jeffrey Lane Hogue | | 8843 S.W. 14th Road | | | Gainesville | FL | 32607 | |
| Jeffrey Lee Crenshaw | | 4300 Overlook Dr. | | | Birmingham | AL | 35222 | |
| Jeffrey Lee Moehring | | 747 County Rd. 473, Lot 19 | | | Cullman | AL | 35057 | |
| Jeffrey Leon Cadde, II | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Jeffrey M. Sewell, County Attorney | | 716 N Richard Arrington Jr. Blvd. | Room 280, Jefferson County Courthouse | | Birmingham | AL | 35203 | |
| Jeffrey Weissman | c/o Wilson F. Green, Esq. | Battle, Fleenor, Green, Winn & Clemmer | 1150 Financial Ctr, 505 N 20th St. | | Birmingham | AL | 35203 | |
| Jennie Holmes Reeves | | 1234 Woodmere Creek Tr. | | | Birmingham | AL | 35226 | |
| Jennifer A. Williams | | 2204 Carlos Ave SW | | | Birmingham | AL | 35211 | |
| Jennifer Ann Kelley | | 224 Dexter Ct. | | | Hueytown | AL | 35023 | |
| Jennifer M. Garstka | | 732 Liberty Lake Dr. | | | Vestavia Hills | AL | 35242 | |
| Jennifer Norwood | | 1203 Ola Ave | | | Talladega | AL | 35160 | |
| Jennifer Osbourn Sargent | | 2719 Ashley Brook Trail Apt 414 | | | Moody | AL | 35004 | |
| Jerdine Ellis-Bronson | | 210 Candle Light Lane | | | Irondale | AL | 35210 | |
| Jeremiah Trevel Edwards | | 8809 2nd Court, N | | | Birmingham | AL | 35206 | |
| Jeremy Barbin | | 125 Sunset Drive | | | Hueytown | AL | 35023 | |
| Jeremy Comans | | 2655 Rock Springs Rd. | | | Warrior | AL | 35180 | |
| Jeremy D. Jones | | 33 Pitts Ln. | | | Attalla | AL | 35954 | |
| Jeremy G. Baswell | | 8242 Owen Park Dr. | | | Lakeview | AL | 35111 | |
| Jeremy Harvelle King | | 1400 30th St., Ensley | | | Birmingham | AL | 35218 | |
| Jerome Evans | | 1324 12th Terr. | | | Pleasant Grove | AL | 35127 | |
| Jerome H. Lapidus | | 2806 Overton Road | | | Mountain Brook | AL | 35223-2734 | |
| Jerome S. Kaufman | | 1728 St. Johns Ct. | | | Birmingham | MI | 48302 | |
| Jerome Williams | | P.O. Box 411 | | | Magnolia Springs | AL | 36555 | |
| Jerrel A. Leonard | | 2202 Peek Dr | | | Oxford | AL | 36203 | |
| Jerri Ward Hudson | | 1432 8th St. NW | | | Birmingham | AL | 35215 | |
| Jerry O. Vanderbilt | | 1805 First Street S | | | Birmingham | AL | 35205 | |
| Jerry Bahakel | | 3990 Marthas Cir | | | Galleria | AL | 35244 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|------------------------------------|--------------------------------|-----------------------|----------|----------------|-------|------------|---------|
| Jerry C. Lazar Living Trust | Janet Lazar, Trustee | Jerry C. Lazar Living Trust | 5603 Pipers Waite | | Sarasota | FL | 34235 | |
| Jerry Hall | c/o Virgil E. Hunter, Esq. | P.O. Box 2423 | | | Birmingham | AL | 35201-2423 | |
| Jerry Hood | | P.O. Box 241 | | | Thorsby | AL | 35171 | |
| Jerry Keith Mullins | | 6551 Spunky Hollow Rd. | | | Locust Folk | AL | 35097 | |
| Jerry Lee Curtis | | 6720 Division Ave | | | Birmingham | AL | 35206-5058 | |
| Jerry Lee Orr | | 5590 Dewey Heights Rd | | | Pinson | AL | 35126 | |
| Jerry Shiver | | PO Box 548 | | | Brundidge | AL | 36010 | |
| Jerry W. Hays | | 1359 Davenport Cir. | | | Kimberly | AL | 35190 | |
| Jerry Whitehead | | 6225 Lakewood Tr. | | | Pinson | AL | 35126 | |
| Jerry Woodall | | PO Box 217 | | | Darrouzett | TX | 79024 | |
| Jessica Ann Surd | | 7278 Cahaba Valley Rd Apt 810B | | | Birmingham | AL | 35242-8408 | |
| Jessica Damicone | | 6531 Blackfriars Lane | | | Hudson | OH | 44236 | |
| Jessica Edwards | c/o James H. McFerrin, Esq. | 2117 Magnolia Ave. S, Ste. 100 | | | Birmingham | AL | 35205 | |
| Jessica Erin Kellum | | 732 Cherry Brook Rd. | | | Kimberly | AL | 35091 | |
| Jessica J. Coates | | 4645 Sterling Glen Ln. | | | Clay | AL | 35126 | |
| Jessica R. Stewart | | 155 Hwy. 313 | | | Columbiana | AL | 35051 | |
| Jessica Rogers | c/o Michael Blalock, Esq. | Blalock & Blalock, PC | 1232 Blue Ridge Blvd. | | Hoover | AL | 35226 | |
| Jessie Mae Lamer | | 6528 White Oak Ln | | | Heuytown | AL | 35023 | |
| Jessie R. Berry | | 3101 10th Ave. N | | | Bessemer | AL | 35020 | |
| Jill Yvette Jones Smith | | 4228 Ashington Dr. | | | Birmingham | AL | 35242 | |
| Jim Walter Resources, Inc. | | Attn Richard A. Donnelly | P.O. Box 133 | | Brookwood | AL | 35444 | |
| Jimmie Sue Cole | | 828 Alliance Rd. | | | Bessemer | AL | 35023 | |
| Jimmy D. Hurd | | 1325 Impala Dr. | | | Birmingham | AL | 35235 | |
| Jimmy Lloyd Headley | | 35 Black Hawk Ln. | | | Moody | AL | 35004 | |
| Jimmy S. Sparks | | 445 Park Ave. | | | Kimberly | AL | 35091 | |
| Jo Ann Harris | | 27 15th Ave. W | | | Birmingham | AL | 35204 | |
| Jo Ann Shiver | | P.O. Box 548 | | | Brundidge | AL | 36010-0548 | |
| Joan A Babic Rev. Trust U/A dtd 9/27/1990 | Joan A. Babic | 7155 Queenferry Cir | | | Boca Raton | FL | 33496 | |
| Joan A. Babic Rev Living Trust U/A dtd 9/27/90 | | 7155 Queenferry Cir | | | Boca Raton | FL | 33496 | |
| Joan Coker | | 1111 Shady Lane Circle | | | Talladega | AL | 35160 | |
| Joann Morris | | 928 25th Street SW | | | Birmingham | AL | 35211 | |
| Joann Turner | | 514 Brussels Cr | | | Birmingham | AL | 35212 | |
| Joann Ward Sanders | | 2104 Trailridge Cr | | | Birmingham | AL | 35214 | |
| Jodi Brook Ferrell | | 4860 Penrose Dr | | | Newburgh | IN | 47630-2425 | |
| Jodi Catrice Vann | | 1065 Greymoor Rd. | | | Shoal Creek | AL | 35242 | |
| Joe C. Parker and Erma W. Parker | | 403 Rebecca Ave. | | | Dothan | AL | 36303-2788 | |
| Joe C. Parker and Erma W. Parker | Sherrer, Jones & Terry P.C. | Patrick B. Jones, III | 335 West Main St. | | Dothan | AL | 36301 | |
| Joe C. Rodriguez | | 7004 Colony Park Rd | | | Birmingham | AL | 35243-3353 | |
| Joe Edward Sharritt | | 1526 Oren Miller Rd. | | | Warrior | AL | 35180 | |
| Joe L Roberts | | 5135 Colonial Park Road | | | Birmingham | AL | 35242 | |
| Joe N. Bryant, Jr. | | 42 W. Green Leaf Dr. | P O Box 8383 | | Birmingham | AL | 35218 | |
| Joe Rosser | | 12272 McMath Trail | | | McCalla | AL | 35111 | |
| John & Lynn Ray | | 171 Waters View Dr | | | Pike Road | AL | 36064 | |
| John A Brodie and Gina G Brodie JTWROS | John A Brodie | 8755 N. Scenic Dr. | | | Tucson | AZ | 85743-8785 | |
| John A Gaca Rev Trust | | 2320 Oak Hill Dr | | | Lisle | IL | 60532 | |
| John A. Brodie & Gina G. Brodie JTWROS | | 8755 N. Scenic Dr. | | | Tucson | AZ | 85743-8785 | |
| John A. Fowler & Shirley B. Fowler | | 2529 Old River Road SE | | | Decatur | AL | 35603 | |
| John Anthony Parr | | 205 Shady Lane | | | Sylvan Springs | AL | 35118 | |
| John B. Aymond | | 17766 British Lane | | | Baton Rouge | LA | 70810 | |
| John B. Jones | | 4212 Ashwood Cove | | | Birmingham | AL | 35216 | |
| John B. Maddox | | 2633 Valley Rd | | | Tarrant | AL | 35217 | |
| John B. Mayes | | 4420 Red Wing Lane | | | Birmingham | AL | 35217 | |
| John B. O Callaghan | | 127 Mohawk Dr | | | Trussville | AL | 35173 | |
| John Burton Jr | | 1016 Egret Dr | | | Birmingham | AL | 35214 | |
| John C. Earnest | | 6201 Old Tuscaloosa Hwy | | | McCalla | AL | 35111 | |
| John C. Williams (Decd) | | 4075 Lindsey Loop Rd | | | Bessemer | AL | 35022 | |
| John Calvin Brown | | 117 East Crest Rd | | | Hueytown | AL | 35023 | |
| John Clifton Jones | | 932 Leslie Lane | | | Gardendale | AL | 35071 | |
| John D. Lilla and Rhonda L. Lilla | | 3610 Beacon Green Ln. | | | Spring | TX | 77386-1371 | |
| John Denison Cook Revocable Trust | John Cook Revocable Trust | 145 Thorntree Lane | | | Winnetka | IL | 60093 | |
| John Deris McNeely | | 4403 Rainforest Dr. | | | Arlington | TX | 76017 | |
| John Fletcher Coleman, III | | 382 Mary Austin Rd. | | | Cordova | AL | 35550 | |
| John H. & Julia I. Brantley | | 7145 Pinewood Court | | | Columbus | GA | 31909-2152 | |
| John H. Robinson Jr | | 504 Utica Street | | | Birmingham | AL | 35224 | |
| John H.S. McMann and Ellen M. McMann JT TEN WROS | John H.S. McMann & Ellen M. McMann | 221 Jacks Mountain Road | | | Fairfield | PA | 17320 | |
| John Howard Burgett | | 448 Smith Mill Rd. | | | Trafford | AL | 35172 | |
| John J Clark Leslie L Clark JT Ten | | 3510 Turtle Creek Blvd #5D | | | Dallas | TX | 75219 | |
| John Jason Pickens | | 20983 Walnut Ln | | | Vance | AL | 35490 | |
| John L. Beard, III | | 2822 Lawrence Cove Rd. | | | Eva | AL | 35621 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|---------------------------------------|---------------------------------------|----------|----------------|-------|------------|---------|
| John L. Hurst III | | 1531 Ixora Drive | | | Naples | FL | 34102 | |
| John Leon | | 7720 Country Lane Dr. | | | Pinson | AL | 35126 | |
| John Lile Hartmann | | 4346 36th Ave W | | | Seattle | WA | 98199 | |
| John M. Simpson | | 5163 Tyler Oaks Dr. | | | Mt. Olive | AL | 35117 | |
| John M. Wood | | 5853 Colony Lane | | | Hoover | AL | 35226 | |
| John Mason, IV | c/o Dan C. King, III | Stewart & Stewart, PC | 1823 Third Avenue N., Ste. 300 | | Bessemer | AL | 35020 | |
| John Mason, IV | c/o Donald Stewart | Donald W. Stewart, PC | P.O. Box 2274 | | Anniston | AL | 35020 | |
| John Mason, IV | c/o Timothy L. Arnold | 1830 3rd Ave. N. | | | Bessemer | AL | 35020 | |
| John Michael | | 3294 N Broken Bow Dr. | | | Birmingham | AL | 35242 | |
| John N. Bryan, Jr. | | 1013 Timberbrook Cir. | | | Birmingham | AL | 35226 | |
| John N. Watson | | 380 Jerry Marsh Rd | | | Cleveland | AL | 35049 | |
| John Patrick Coleman | | 4640 Ct. S | | | Birmingham | AL | 35208 | |
| John Plott Co. Inc. | | 2804 Rice Mine Rd. NE | | | Tuscaloosa | AL | 35406 | |
| John Robert Bowers, Jr. | | 555 Park Lake Lane | | | Helena | AL | 35080 | |
| John S. Stiener | c/o Russell M. Cunningham, IV | Cunningham Firm, LLC | 15 Richard Arrington Jr Blvd N, # 305 | | Birmingham | AL | 35203 | |
| John S. Young, Jr. LLC, as Receiver | c/o Baker, Donelson, Bearman, Caldwell | Attn Timothy M. Lupinacci, Esq. | 1600 Wachovia Tower | | Birmingham | AL | 35203 | |
| John Seale | | 2224 Cherry Lane | | | Birmingham | AL | 35226 | |
| John Stanley | | 2264 North Smithfield Ln. | | | Birmingham | AL | 35207 | |
| John Thomas Alford | | 3811 Alexander Rd. | | | Quinton | AL | 35130 | |
| John V. Wilson, Jr. | | 7588 Water Silk Drive | | | Pinellas Park | FL | 33782 | |
| John W. Bagents | | 19350 Sherman Way Unit 140 | | | Reseda | CA | 91335-3765 | |
| John W. Blackerby | | 2009 Virginia Ln | | | Hueytown | AL | 35023 | |
| John W. Detrick | | P.O. Box 902 | | | Homewood | IL | 60430-0902 | |
| John Wesley Townsend | | 1513 29th Ave. N | | | Hueytown | AL | 35020 | |
| John Whitman Cole | | 8879 Warrior Kimberly Rd. | | | Kimberly | AL | 35091 | |
| John William Stefanac | | 4811 E. Calle Ventura | | | Phoenix | AZ | 85018 | |
| Johnathan Dejuan Dawson | | 1001 14th St. S, Apt. 407 | | | Birmingham | AL | 35205 | |
| Johnathan T. Bryant | | 2316 F Raintree Ct. | | | Odenville | AL | 35120 | |
| Johnathan T. Bryant | | 493 South Hillcrest Rd. | | | Odenville | AL | 35120 | |
| Johnella Rechellia Owens | | 524 26th Ave. NW | | | Birmingham | AL | 35215 | |
| Johnnie A. Ladd | | 314 7th St. Robinwood | | | Birmingham | AL | 35217 | |
| Johnnie J. Kidd | | 1732 12th Street So. | | | Birmingham | AL | 35205 | |
| Johnnie Marshall | | 2345 7th PL NW Apt E | | | Birmingham | AL | 35215-3132 | |
| Johnny Cole | c/o Robert W. Hensley, Jr., Esq. | 242 W Valley Ave., Ste. 210 | | | Birmingham | AL | 35209 | |
| Johnny E. Weekley | | 211 Oak Cr | | | Bessemer | AL | 35023 | |
| Johnny L. Dickson | | 2239 Tahiti Ln. | | | Alabaster | AL | 35007 | |
| Johnny R. Crowe | | 3836 Lee Roy Ln. | | | Bessemer | AL | 35022 | |
| Johnny Ray Cole | | 5105 18th St. S | | | Lipscomb | AL | 35020 | |
| Johnson & Freedman, LLC | | 1587 North East Expressway | | | Atlanta | GA | 30329 | |
| Johnson & Johnson Health | | P.O. Box 406663 | | | Atlanta | GA | 30384-6663 | |
| JOHNSON AUDREY | | 3104 PIKE RD | | | BIRMINGHAM | AL | 35208 | |
| JOHNSON JAMES | | 1399 BT SHORT CUT OFF RD | | | VANCE | AL | 35490 | |
| Johnson Mary | | c o Archie Fields | 4312 51st Ave N | | Birmingham | AL | 35217 | |
| JOHNSON TANIRAH MONIQUE | | 4824 MARIANA ST N | | | BIRMINGHAM | AL | 35207-1120 | |
| Joint Trust Agreement of Clarence E. & Judith Y. Dawson | | 28598 Blue Creek Road | | | Sunman | IN | 47041 | |
| Jon Lord | | 2911 Metropolitan Way | | | Birmingham | AL | 35243 | |
| Jonathan A. Baggett | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Jonathan A. Evans | | 306 Eaton Dr | | | Sylvan Springs | AL | 35118-9002 | |
| Jonathan C. Craton | | 19844 Browney Dr. | | | Vance | AL | 35490 | |
| Jonathan Mitchell | | 6717 Davis Mountain Rd. | | | Leeds | AL | 35094 | |
| Jonathan W. Jackson | | 531 24th St. N | | | Bessemer | AL | 35020 | |
| Jonathan Webber | | 1000 Chapel Ridge Dr. Apt. 1023 | | | Gardendale | AL | 35071 | |
| Jonathan Weiss | | 4 Hugh Hill Road | | | Irvington | NY | 10533 | |
| Jones & Berry PC | | 1205 N 19th St. | | | Birmingham | AL | 35224 | |
| Jones Day | Attn Amy Edgy Ferber, Esq. | 1420 Peachtree Street, N.E. Suite 800 | | | Atlanta | GA | 30309-3053 | |
| Jones Day | Attn Mark A. Cody, Esq. | 77 West Wacker | | | Chicago | IL | 60601-1692 | |
| Jones Michael | | c o John Henry Jones | 5950 Scottsdale Dr | | Mobile | AL | 36618 | |
| JONES TAMORYA LETECHEJ | | 945 FULLMAN LANE | | | BRIERFIELD | AL | 35035-3763 | |
| Jones Walker | C. Ellis Brazeal III | 1819 5th Avenue North | Suite 1100 | | Birmingham | AL | 35203 | |
| Joni Sands Money | | 1859 Parc Ridge Cir | | | Warrior | AL | 35180 | |
| JORDAN, HOMER | Jeffrey M. Sewell, County Attorney | 716 N Richard Arrington Jr. Blvd. | Room 280, Jefferson County Courthouse | | Birmingham | AL | 35203 | |
| JORDAN, HOMER | Law Office of Kimberly Dodson LLC | 2021 Morris Ave | Ste 300 | | Birmingham | AL | 35203 | |
| Jose Alberto Moreno and Anna Eida Huerta Jtwros | | 5840 SW 91st St | | | Pinecrest | FL | 33156 | |
| Jose Rodriguez | | 8717 NE 4th Ave Rd | | | Miami Shores | FL | 33138 | |
| Joseph A. Bellamy | | 129 Wildoak Dr. | | | Birmingham | AL | 35210 | |
| Joseph D. Terry | | 4228 Harpers Ferry Road | | | Birmingham | AL | 35213-2206 | |
| Joseph David Glosson, Jr. | | 1519 14th Ave. N | | | Bessemer | AL | 35020 | |
| Joseph E. Broughton Trust | | 9424 Hurricane Road | | | Bay Minette | AL | 36507 | |
| Joseph G. Robertson | | 1303 Berwick Cir | | | Birmingham | AL | 35242 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|---|---|--------------------------------|----------|--------------------|-------|------------|---------|
| Joseph Hardie Meade, Jr. | | 2530 A Park Land Ct. N | | | Birmingham | AL | 35223 | |
| Joseph J & Jean P Orabona | Joseph J. Orabona | 133 Isle Verde Way | | | Palm Beach Gardens | FL | 33418 | |
| Joseph J. Basiger III | | 2341 Garland Dr | | | Vestavia Hills | AL | 35216 | |
| Joseph L. Morris | | 4312 Willard Ave. SW | | | Birmingham | AL | 35221 | |
| Joseph M. Schober | | 3976 Alexander Rd. | | | Quinton | AL | 35130 | |
| Joseph McCormick, Trustee of McCormick Joint TR of 6-20-95 | | 333 Hawthorne Blvd | | | Leesburg | FL | 34748 | |
| Joseph R. Wood | | 134 Barkley Ln | | | Alabaster | AL | 35007-7538 | |
| Joseph Rizzo | | 5004 Crestview Pl. | | | Dora | AL | 35062 | |
| Joseph Ryan Rizzo | | 5004 Cresview Pl | | | Dora | AL | 35062 | |
| Josephine Barton | c/o Wendy N. Thornton, Esq. | 300 Richard Arrington Jr. Blvd. N | Ste. 200 | | Birmingham | AL | 35203 | |
| Josephus McClain | | 702 Forestwood Dr. | | | Birmingham | AL | 35214 | |
| Joshua Kane Waldrop | | 1540 27th Ave. | | | Hueytown | AL | 35023 | |
| Joshua S. Payne | | 7619 D.W. Robbins Rd. | | | Dora | AL | 35062 | |
| Joy S Parker | | 6335 Snowville Brent Rd | | | Dora | AL | 35062 | |
| Joyce Ann Coleman | | 1231 5th Ave. W | | | Birmingham | AL | 35208 | |
| Joyce C Wentz, TTEE, Joyce C Wentz, Rev Liv Trust | Joyce C Wentz | 11421 Mourning Dove Pl | | | Painesville | OH | 44077-9337 | |
| Joyce W.Gray | | 4330 Church Lane | | | Birmingham | AL | 35217 | |
| Joyce White Lane | | 311 Acton Bend Cir. | | | Hayden | AL | 35079 | |
| JOYNER SHARON DENISE SMITH | | PO BOX 94433 | | | BIRMINGHAM | AL | 35220-4433 | |
| JP Morgan Chase Bank | c/o Steve M. Fuhrman, Esq. | Simpson Thacher & Bartlett LLP | 425 Lexington Ave. | | New York | NY | 10017 | |
| JPMorgan Chase Bank | Attn William A Austin | 60 Wall Street | | | New York | NY | 10260 | |
| JPMorgan Chase Bank NA | Steven M Fuhrman Esq | c o Simpson Thacher and Bartlett LLP | 425 Lexington Ave | | New York | NY | 10017 | |
| JPMorgan Chase Bank, as Liquidity Agent | c/o John A. Henry, Jr. | Kutak Rock LLP | 1801 California St., Ste. 3100 | | Denver | CO | 80202 | |
| JPMorgan Chase Bank, N.A. relating to Forward Delivery Agreement | Attn William A. Austin | JPMorgan Chase Bank, N.A. | 383 Madison Avenue | | New York | NY | 10179 | |
| JPMorgan Chase Bank, N.A. relating to Forward Delivery Agreement | Simpson Thacher & Bartlett LLP | Attn Steven M. Fuhrman, Esq and Elisha D. Graff, Esq. | 425 Lexington Avenue | | New York | NY | 10017 | |
| JPMorgan Chase Bank, N.A. relating to General Obligation Standby Agreement and Swap Agreement | Attn William A. Austin | JPMorgan Chase Bank, N.A. | 383 Madison Avenue | | New York | NY | 10179 | |
| JPMorgan Chase Bank, N.A. relating to General Obligation Standby Agreement and Swap Agreement | Simpson Thacher & Bartlett LLP | Attn Steven M. Fuhrman, Esq and Elisha D. Graff, Esq. | 425 Lexington Avenue | | New York | NY | 10017 | |
| JPMorgan Chase Bank, N.A. relating to Sewer Warrant Standby Agreements | Attn William A. Austin | 383 Madison Avenue | | | New York | NY | 10179 | |
| JPMorgan Chase Bank, N.A. relating to Sewer Warrant Standby Agreements | Simpson Thacher & Bartlett LLP | Attn Steven M. Fuhrman, Esq and Elisha D. Graff, Esq. | 425 Lexington Avenue | | New York | NY | 10017 | |
| JPMorgan Securities | c/o Don B. Long, Jr. | Johnston Barton Proctor & Rose | 569 Brookwood Center, Ste. 901 | | Birmingham | AL | 35209-4513 | |
| JPMorgan Securities | Don B Long Jr,Johnston Barton Proctor and Rose | 569 Brookwood Ctr Ste 901 | | | Birmingham | AL | 35209-4513 | |
| JRHCC-Petty Cash | | 200 North Pinehill Rd. | | | Birmingham | AL | 35217 | |
| Juanita Blevins | | 2414 Ave. H | | | Birmingham | AL | 35218 | |
| Juanita Riles | | 1661 Fulton Ave. SW | | | Birmingham | AL | 35211 | |
| Judene Tulloch | | 800 W Marietta Street NW Apt 420 | | | Atlanta | GA | 30318 | |
| Judith A Quill | | 725 D 33rd Ave SW | | | Minot | ND | 58701 | |
| Judith D. Gary | | 7417 Earlwood Rd. | | | Fairfield | AL | 35064 | |
| Judith R. Lavies | | 163 York St. | | | Sumiton | AL | 35148 | |
| Judith Turbin Trust | | 12805 Maple Road | | | North Miami | FL | 33181-2449 | |
| Judy Jackson | | 416-K Skyview Dr. | | | Birmingham | AL | 35209 | |
| Judy Prince | | 1100 26th St. S #322 | | | Birmingham | AL | 35205 | |
| Judy S. Henderson | | 557 North Pine Hill Rd. | | | Tarrant | AL | 35217 | |
| Judy Stewart | c/o Steven Baker, Southern Law Group | Adm. Ad Lit. for Est of Gladys Lewis | 2031 Shady Crest Dr. | | Hoover | AL | 35216-5417 | |
| Juel Hill McCutcheon | | 430 Norman Rd | | | Gardendale | AL | 35071 | |
| Juletha Elaine Hamner | | 2122 Rocky Ridge Rd Apt 404 | | | Birmingham | AL | 35216-5194 | |
| Julia Renee Fines | | 4004 Long Leaf Dr. | | | Gardendale | AL | 35071 | |
| Julian Quinton R. Smith | | 371 Glen Cross Way | | | Trussville | AL | 35173-6602 | |
| Julienne M. Gibson Trust | Sterling R. Gibson Trustee | 1603 Lexington Drive | | | Allen | TX | 75013 | |
| Julius F. McIlwain | | PO Box 6038 | | | New Orleans | LA | 70174-6038 | |
| June G. Cupps | | 4739 Crestview Dr | | | Gardendale | AL | 35071 | |
| Jurgensen Family Trust | Curtis Howard and Linda Alford Jurgensen Trustees | 2127 West 109th Street North | | | Valley Center | KS | 67147 | |
| Jurgensen Family Trust | Curtis Howard and Linda Alford Jurgensen Trustees for Jurgensen Trust | 2127 West 109th Street North | | | Valley Center | KS | 67147 | |
| Justin D. Smith | | 5339 Creekside Place | | | Birmingham | AL | 35244 | |
| Justin Pospny | | 6312 Glenview Dr | | | Gardendale | AL | 35071 | |
| Justine Young and George Young | Justine Young | 3174 Zaharias Drive | | | Orlando | FL | 32837 | |
| Kalifa Oliver | | 3406 Tulane Drive #33 | | | Hyattsville | MD | 20783 | |
| Kaman Industrial | | P.O. Box 402847 | | | Atlanta | GA | 20284-2847 | |
| Kamla D. Owens | | PO Box 132 | | | Dolomite | AL | 35061 | |
| Kandice Eboni Pickett | | 2301 Veteran Memorial Pkwy 412 | | | Tuscaloosa | AL | 35404 | |
| Kara Vanessa Tucker | | 6251 Peregrine Cr | | | Trussville | AL | 35173 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|--|-------------------------------------|----------|----------------|-------|------------|---------|
| Karen Berry | | 3101 10th Ave. N | | | Bessemer | AL | 35020 | |
| Karen Denise Cwine | | 2511 Longbow Dr. | | | Birmingham | AL | 35214 | |
| Karen H. Duke | | 3412 Stouts Rd | | | Fultondale | AL | 35068 | |
| Karen K. Wadlington | | 12 Freda Jane Ln. | | | Birmingham | AL | 35215 | |
| Karen Kay Yates | | 39 Crossbrook Dr | | | Chelsea | AL | 35147 | |
| Karen Lorette Ameen | | 8216 2nd Ave. S | | | Birmingham | AL | 35206 | |
| Karen Segev | Trustee | 20191 E Country Club Dr TS4 | | | Aventura | FL | 33180 | |
| Karli V. Ingram | c/o Roger D. Burton, Esq. | Roger D. Burton, PC | 1905 14th Ave. S | | Birmingham | AL | 35205 | |
| Katherine M. Birchfield | | 1008 Woodland Village | | | Birmingham | AL | 35216 | |
| Kathleen C. Parker and Albert J. Parker JT TEN | Kathleen C. Parker | 177 Hickory Pointe Drive | | | Athens | GA | 30605 | |
| Kathryn Bentley | | 1275 Atkins Trimm Blvd. | | | Birmingham | AL | 35226 | |
| Kathryn S. Cunningham | | 16929 Meadow Lane | | | Brookwood | AL | 35444 | |
| Kathy M. Gore | | 535 Venable Rd. | | | Odenville | AL | 35120 | |
| Katie Mays | | 34417 Eli Ave. | | | Birmingham | AL | 35221 | |
| Kay L. Cason, adm. est. Kathryn Tinney | c/o Ralph Bohanan, Jr. | Bohana & Associates, PC | One Perimeter Park South, Ste. 315S | | Birmingham | AL | 35243 | |
| Kaypentax | | 2 Bridgewater Ln. | | | Lincoln Park | NJ | 07444 | |
| K-Chem Inc. | | P.O. Box 530632 | | | Birmingham | AL | 35253 | |
| KCI USA, Inc. | | 8023 Village Dr. | | | San Antonio | TX | 78230 | |
| KD Hoover, LLC | Attn Dan Slattery | 1111 Burlington Ave. | Ste. 113 | | Lisle | IL | 60532 | |
| KEAHEY ROBERT | | 2714 CHESTNUT WAY | | | PINSON | AL | 35126 | |
| Keith A.Boyd | | 425 Somerset Dr | | | Birmingham | AL | 35206 | |
| Keith J. & Lori B. Vander Laan | Keith J. Vander Laan | 526 Chatham Pl. | | | Everson | WA | 98247 | |
| Keith L. Smith | | 6023 Misty Pines Way | | | Gardendale | AL | 35071 | |
| Keith N. Faught | | 9242 Bagley Rd. | | | Dora | AL | 35062 | |
| Keith W. Stevens | | 9170 Weller Sumpter Rd. | | | Adger | AL | 35006 | |
| Kelli J. Clarke | | 185 Allen Dr. Unit 201 | | | Alabaster | AL | 35007 | |
| Kelly B. Furgerson | Attorney at Law | Law Offices of B. Christopher Battles, LLC | 3150 Highway 52 West | | Pelham | AL | 35124 | |
| Kelly E Hughes | | 610 West Blvd. | | | Birmingham | AL | 35206 | |
| KELLY, SHIRLEY M. | Lee Law Firm | Brandy M. Lee | 2100 1st Ave. N., Ste. 600 | | Birmingham | AL | 35203 | |
| Kelmar & Associates | | 2553 Jackson Keller-Ste 200 | | | San Antonio | TX | 78230 | |
| Kelvin E. Rankin (Decd) | | 300 Apt A 56th Street | | | Fairfield | AL | 35064 | |
| Kendra L. Finley | | 8109 8th Ave. S | | | Birmingham | AL | 35206 | |
| Kendra L. Lacey | | 1622 6th Street Ne | | | Birmingham | AL | 35215 | |
| Kendrick A. Harris | | 1101 Northwood Dr | | | Birmingham | AL | 35217 | |
| KENNEDY CHARLIE | | 2316 13TH AVE N | | | BIRMINGHAM | AL | 35234 | |
| KENNEDY JAMES | | 123 MAPLE TRACE | | | HOOVER | AL | 35244 | |
| Kenneth A. Redman | | 2228-B Little Valley Rd | | | Clanton | AL | 35046 | |
| Kenneth Bryant Williams | | 6905 Hillcrest Cr | | | Birmingham | AL | 35212 | |
| Kenneth E. Stalter & Doris L. Stalter JT Ten | | 307 N. Linden St | | | Clinton | IL | 61727-1236 | |
| Kenneth Ellis (Decd) | | 231 Rridge Ave | | | Bessemer | AL | 35020 | |
| Kenneth Harris | | 110 Vincent Ave | | | Troy | AL | 36079 | |
| Kenneth J. Gomany | | 5808 Chestnut Trace | | | Hoover | AL | 35244 | |
| Kenneth L. Richards | | 2404 Chalybe Trail | | | Hoover | AL | 35226 | |
| Kenneth Leon Bush | | 9002 Morning Glory Tr. | | | Dora | AL | 35062 | |
| Kenneth N. Butler | | 5013 Cresview Pl. | | | Dora | AL | 35062 | |
| Kenneth R Bush | | 7465 Bethel Rd. | | | Dora | AL | 35062 | |
| Kenneth R. & Joan M. Scholten | Ken & Joan Scholten | 2221 N. Davison | | | Mitchell | SD | 57301-5300 | |
| Kenneth R. & Joan M. Scholten | Ken & Joan Scholten | 2221 N. Davison | | | Mitchel | SD | 57301-5300 | |
| Kenneth R. Davis | | 6932 K T Davis Rd. | | | Bessemer | AL | 35023 | |
| Kenneth S. Friedman | Kenneth Stan Friedman | 121 Townsend Dr | | | Clayton | NC | 27527-5221 | |
| Kenneth W. Gilbert | | 204 Saddle Ridge | | | Hueytown | AL | 35023 | |
| Kenneth Wayne Waldrop | | 1116 Sunnydell Ln. | | | Bessemer | AL | 35020 | |
| Kent E. Johnson, Jr. | | 312 Aspen Dr. | | | Homewood | AL | 35209 | |
| Kent R. Wildern Revocable Trust | Kent R. Wildern TTEE | U/A DTD 10/22/2008 | PO Box 150365 | | Grand Rapids | MI | 49515 | |
| Keri Lynn Warren | | 82 Oakwood St | | | Woodstock | AL | 35188-3521 | |
| Kermit. B. Hooks III | | 317 1st Place | | | Pleasant Grove | AL | 35127 | |
| Kerry Marshall, Jr. | | 637 Barkley Cr | | | Alabaster | AL | 35007 | |
| Kerry Whatley | | 2581 Kerry Cir | | | Morris | AL | 35116 | |
| Kerry Williams | | 5316 Ct. S | | | Birmingham | AL | 35208 | |
| Kesha D. Williams | c/o Henry J. Walker, Jr., Esq. | 2330 Highland Ave S. | | | Birmingham | AL | 35205-2912 | |
| Keven James Johnson | | 237 Norwick Forest Dr. | | | Alabaster | AL | 35007 | |
| Kevin Austin | | 311 Autumn Brook Ter | | | Hueytown | AL | 35023 | |
| Kevin E. Smith | | 82 Pine Cr | | | Remlap | AL | 35133 | |
| Kevin Franke | | 8234 S Merrimac Ave | | | Burbank | IL | 60459 | |
| Kevin Groid | | 2923 Sandy Pointe, Suite 6 | | | Del Mar | CA | 92014-2052 | |
| Kevin Groid | Eating Disorder Referral & Information Center | 2923 Sandy Pointe, Suite 6 | | | Del Mar | CA | 92014-2052 | |
| Kevin Reynolds & May Reynolds | | 6071 Braxton Lane, Apt 201 | | | Memphis | TN | 38115 | |
| Kevin Rutherford | | 9595 Fontainebleau Blvd Apt 801 | | | Miami | FL | 33172 | |
| Kim McAdory | | 120 2nd Ct. N | | | Birmingham | AL | 35204-4765 | |
| Kim Renae Rutley Campbell | | 809 30th St. S #3 | | | Birmingham | AL | 35205 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|----------------------------|---|--------------------------------|----------|-------------------|-------|------------|---------|
| Kimberly Ann Zielinski | | 15935 Hwy. 216 | | | Brookwood | AL | 35444 | |
| Kimberly D. Moore | | 1217 First St. W | | | Birmingham | AL | 35204 | |
| Kimberly Jill Johnston | | 172 Shore Front Lane | | | Wilsonville | AL | 35186 | |
| Kimberly M. Smith | | 6251 Eagle Ridge Cir. | | | Pinson | AL | 35126 | |
| Kimberly R Sanders | | 8420 Bill Jones Rd | | | Morris | AL | 35116 | |
| Kimberly Renea Williams | | 2125 30th Place Ensley | | | Birmingham | AL | 35208 | |
| Kimberly Taylor | | 6300 Crest Green Rd. | | | Birmingham | AL | 35212 | |
| Kin M. Ho | | 313 Lower Vintners Circle | | | Fremont | CA | 94539 | |
| KING BARBARA A | | 525 Hardwood Ln. | | | BIRMINGHAM | AL | 35215-1244 | |
| King Leonard | | c o Terry King 7433 1st Ave S | | | Birmingham | AL | 35206 | |
| Kinsel Industries Inc | | Morgan Raod Industrial Pk | 3061 Dublin Cir | | Bessemer | AL | 35022 | |
| Kirkpatrick | | Dept. 1477 | P.O. Box 2153 | | Birmingham | AL | 35287-1477 | |
| Knauf Insulation GmbH | c/o Richard A. Kempf, Esq. | Taft Stettinius & Hollister LLP | One Indiana Square, Suite 3500 | | Indianapolis | IN | 46204-2023 | |
| Knox Pest Control | | P.O. Box 1824 | | | Pelham | AL | 35124 | |
| Koch Financial Corporation | | 17550 N Perimeter Dr., Ste. 300 | | | Scottsdale | AZ | 85255 | |
| Kohl Sidney | | 305 Royal Poinciana Plz | | | Palm Beach | FL | 33480 | |
| Kornelius Fitzgerald Berry | | 10 Carriage Cr | | | Bessemer | AL | 35022 | |
| Krames | | P.O. Box 90477 | | | Chicago | IL | 60696 | |
| Kris and Erika Mitchell | | 206 Oakleaf Drive | | | Pine Knoll Shores | NC | 28512 | |
| Kristi Boshell | | 1206 Slope Dr. | | | Mulga | AL | 35118 | |
| Kristi Fargason | | 810 Soaring Dr. | | | Marietta | GA | 30062 | |
| Kristin Martin | | 1206 Lane Ave. | | | Fultondale | AL | 35068 | |
| Kristin Palkovich | | 2632 River Haven Ln. | | | Birmingham | AL | 35244 | |
| Kristin Thomas Peterson | | 1413 2ND Ct West | | | Birmingham | AL | 35208 | |
| Kristy J. Greenburg | | Cravath, Swaine & Moore, LLP Worldwide Center | 825 Eighth Avenue | | New York | NY | 10019-7475 | |
| Krump Living Trust | Ronald M. Krump | 100 Gazelle Rd | | | Reno | NV | 89511 | |
| Krystal L Vance | | 5808 Court N | | | Birmingham | AL | 35228 | |
| Krystal L. Vance | | 5316 Ave. H | | | Fairfield | AL | 35064 | |
| Kumar Living Trust - Rajendra Kumar, M.D. / Kusum K. Kumar, DDS | Rajendra Kumar, M.D. | 4117 Woodhaven St. | | | Houston | TX | 77025-5718 | |
| Kurts Truck & Parts Co | | P.O. Box 2743 | | | Birmingham | AL | 35202 | |
| Kwenita Chanae Anderson | | 1243 4th Pl. | | | Pleasant Grove | AL | 35127 | |
| L and S Family Limited Partnership - Larry Strauss General Partner | Larry Strauss | c/o L and S Family Limited Partnership | 5708 Eastman Drive | | Plano | TX | 75093 | |
| L.W. Brasher | | 1380 Self Creek Rd. | | | Morris | AL | 35116 | |
| Laarchsha Denean Covington | | 818 Sunset Dr | | | Birmingham | AL | 35215-7822 | |
| Laboratory Corporation of America | Attn Legal Dept | 430 S Spring St | | | Burlington | NC | 27215 | |
| Laboratory Resources and Solutions, Inc | | 163 5th St. | | | Ashville | AL | 35953 | |
| Labrenda J. Marshall | | 1801 Clarendon Ave. | | | Bessemer | AL | 35020 | |
| LaDonna Houston | | 853 Goldwine St. SW | | | Birmingham | AL | 35211 | |
| Lakitia M. Hall-Wright | | 120 2nd Ct. N | | | Birmingham | AL | 35204-4765 | |
| Lamar Advertising Co | | P.O. Box 96030 | | | Baton Rouge | LA | 70896 | |
| Lamonte D. Jackson | | 2016 Hampton Park Dr. | | | Hoover | AL | 35216 | |
| Landis Mays & Marian Mays & Mark L. Mays & Matthew R. Mays | | P.O. Box 15 | | | Elizabethtown | KY | 42701 | |
| LANDRUM LYNETTE EVANS | | 401 EDGECREST DR APT 4 | | | BIRMINGHAM | AL | 35209-5932 | |
| LANE DAWN | | 1826 RIVERCHASE TRL | | | HOOVER | AL | 35244-2046 | |
| LANE JOYCE | | 311 ACTON BEND CIR | | | HAYDEN | AL | 35079 | |
| Lannette J. Stallings | | 14727 State Hwy. 75 | | | Remlap | AL | 35133 | |
| Laquita Nash | | 474 Camden Cove Cir. | | | Calera | AL | 35040 | |
| Laquita S. Lavender | | 2705 Ave H | | | Birmingham | AL | 35218 | |
| Lara W. Swindle | | 1232 Star Lane | | | Mulga | AL | 35118 | |
| Larenda Jacquis Cherry | | 6821 65th Street S | | | Birmingham | AL | 35212 | |
| Larry & Jane Rued | | 1604 17th St W | | | Palmetto | FL | 34221 | |
| Larry & Tommie Jo Duvall, Jt. Ten. | | 7038 Val Monte Drive | | | Guntersville | AL | 35976 | |
| Larry Allred | | 324 Montgomery Ave. | | | Trussville | AL | 35713 | |
| Larry Baker & Deanna Baker Jt. Ten. | | P.O. Box 2214 | | | Pampa | TX | 79066 | |
| Larry Broaddnax | | 204 59th St N | | | Birmingham | AL | 35212 | |
| Larry D. Kilgore, Jr. | | 3745 Ripley Rd. | | | Nauvoo | AL | 35578 | |
| Larry E. Lewis | | 7323 1st Ave. S | | | Birmingham | AL | 35206 | |
| Larry G. Luce | | 2200 Pembroke | | | Denton | TX | 76205 | |
| Larry James Deramus | | 3417 30th Way N | | | Birmingham | AL | 35207 | |
| Larry Mann | | 215 N. 21st St #701 | | | Birmingham | AL | 35203 | |
| Larry N. Kloenhamer | | 77-268 Holomakani St. | | | Kailua Kona | HI | 96740 | |
| Larry Ray Gardner | | 5054 Eubanks Rd SE | | | Bessemer | AL | 35022-4925 | |
| Larry Ronald Fendley | | 2658 1st St. | | | Trafford | AL | 35172 | |
| Larry W. Martin | | 81 Peachtree Ln. | | | Trafford | AL | 35172 | |
| Larry W. Olson | | 411 4th Ave West | | | Williston | ND | 58801 | |
| Lasalle Systems Leasing | | 6111 North River Road | | | Rosemont | IL | 60018 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|-------------------------------------|----------------------------------|---------------------------------|-----------------------------------|----------------|-------|------------|---------|
| Lashaunda L. Mixon | | 246 Church Rd | | | Warrior | AL | 35180 | |
| LASHLEY SANCHELL | | 419 18TH ST SW | | | BIRMINGHAM | AL | 35211 | |
| Lashunne Yvonne Jackson | | 7714 Sunrise Ln., Apt. A | | | Birmingham | AL | 35210 | |
| Lashunta Boler | | 59 Moonglow Dr | | | Birmingham | AL | 35215 | |
| Latanga B. Dates | | 1933 Huntington Ln. | | | Birmingham | AL | 35214 | |
| Latanya N. Brown | | 1625 Martin Ave. | | | Birmingham | AL | 35208 | |
| LaTarra Wilson | | 3645 Hemlock Way | | | Birmingham | AL | 35221 | |
| Latarsha Renee Harrison | | 4512 Little Dr. | | | Birmingham | AL | 35022 | |
| Latonja Renee Samuels | | 634 Idlewild Cir., Apt. K | | | Birmingham | AL | 35205 | |
| Latonya F. Cole | | 320 Jefferson Ave | | | Bessemer | AL | 35020 | |
| Latonya Renee Parker | | 1501 6th Pl. NW | | | Birmingham | AL | 35215 | |
| LaTonya S. Green | | 2200 Little Valley Road, Apt. C. | | | Hoover | AL | 35216 | |
| Latonya S. Samuel | | 4117 39th Ave. N | | | Birmingham | AL | 35217 | |
| Latorya Franks | | 1810 6th NW | | | Center Point | AL | 35215-4304 | |
| Laura Ogden | | 3298 Allison Bonnett Mem. Dr. | | | Hueytown | AL | 35023 | |
| Lauren D. Thompson | | 1345 Atkins Trimm Blvd. | | | Hoover | AL | 35226 | |
| Lauren Elizabeth Leach | | 2009 Stonebrook Dr. | | | Birmingham | AL | 35242 | |
| Lauren Melissa W. Gasparetto | | 571 Branch Lake Dr. | | | Columbiana | AL | 35051 | |
| Lauren Michelle Nickel | | 309 Hampton Park Dr 35216 | | | Birmingham | AL | 35216 | |
| Laurie E. Skaggs | | 108 Majestic Pines Lane | | | Trussville | AL | 35173 | |
| Laurie Tuech | | 129 King James Ct | | | Alabaster | AL | 35007 | |
| Lavonda Jones Primus | | 805 Griswold Rd | | | Fairfield | AL | 35064 | |
| Law Office of Kimberly Dodson LLC | | 2021 Morris Ave | Ste 300 | | Birmingham | AL | 35203 | |
| Law Office of Robert E. Black | | 500 W 16th Street, Suite 120 | | | Austin | TX | 78701 | |
| Law Offices of William D. Davis III | | 2213 Morris Ave Ste 200 | | | Birmingham | AL | 35203 | |
| Lawanda Catrese Whiet | | 5620 Ave K Ensley | | | Birmingham | AL | 35208 | |
| Lawrence A. Neureither | | 10472 East Ct. | | | Culpeper | VA | 22701 | |
| Lawrence Crow | | P.O. Box 62 | | | Tahlequah | OK | 74465 | |
| Lawrence Joseph Downs, Jr. | | P.O. Box 130397 | | | Birmingham | AL | 35213 | |
| Leatrice Solon | | 72 Lake End Rd | | | Merrick | NY | 11566 | |
| Lee C. Minor | | 845 Twin Ridge Dr | | | Gardendale | AL | 35071 | |
| Lee Law Firm | Brandy M. Lee | 2100 1st Ave. N., Ste. 600 | | | Birmingham | AL | 35203 | |
| Lee Prather, Sr. | | 1052 Pike Rd. | | | Birmingham | AL | 35218 | |
| Lee Verne Seales | | 9870 Hwy 31 | | | Atmore | AL | 36502-5622 | |
| Leeds City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Legacy Bingo LLC | c o Samuel R McCord Esq | 2126 Morris Ave | | | Birmingham | AL | 35203 | |
| Lehman Brothers Holdings, Inc. | Daniel Ehrman | 1271 Avenue of Americas | | | New York | NY | 10020 | |
| Lehman Brothers Holdings, Inc. | Daniel Ehrman | 1271 Avenue of the Americas | | | New York | NY | 10020 | |
| Lehman Brothers Special Financing Inc | Daniel Ehrman | Lehman Brothers Holdings Inc | 1271 Avenue of the Americas | | New York | NY | 10020 | |
| Lehman Brothers Special Financing, Inc. | c/o James C. Huckaby | Bradley R. Hightower | Christian & Small LLP | 505 North 20th Street, Suite 1800 | Birmingham | AL | 35203 | |
| Lehman Brothers Special Financing, Inc. | Lehman Brothers Holdings, Inc. | Daniel Ehrman | 1271 Avenue of Americas | | New York | NY | 10020 | |
| Lehman Brothers Special Financing, Inc. | Lehman Brothers Holdings, Inc. | Daniel Ehrman | 1271 Avenue of the Americas | | New York | NY | 10020 | |
| Leigh Higginbotham Brooks | | 672 Trumpet Cr | | | Hoover | AL | 35226 | |
| Leigh Taylor Lyle | | 1208 18th Ave. S, Apt. E | | | Birmingham | AL | 35205 | |
| Leland H Bodmer | | 520 Swan Dr | | | Sebring | FL | 33875 | |
| Lemar A. Thomas | | 6990 John Rd. | | | Hueytown | AL | 35023 | |
| Lena Y. Smith (Decd) | | 1129 4th Terrace West | | | Birmingham | AL | 35204 | |
| Leniel Aaron Gast | | 8138 3rd Avenue | | | Leeds | AL | 35094 | |
| Leon Foy | | 1661 Fulton Ave. SW | | | Birmingham | AL | 35211 | |
| Leon Pennington | | 1421 56th St. W | | | Birmingham | AL | 35228 | |
| Leonard George | | 7001 3rd Ave. S | | | Birmingham | AL | 35206 | |
| Leonard Lucius, Jr. (Decd) | | 1341 6th St. NW | | | Birmingham | AL | 35215 | |
| Leonard P. Scrop & Linda Shirley Seidman | | 108 Hewlett Ave | | | Merrick | NY | 11566 | |
| Leonard Scrop / Linda Shirley Seidman | | 108 Hewlett Ave | | | Merrick | NY | 11566 | |
| Lerch Bates & Associates | | 8089 South Lincoln, St 300 | | | Littleton | CO | 80122 | |
| Leroy Mehlman Trust Gloria Mehlman Trustee | | 34 Big Oak Lane | | | Stamford | CT | 06903 | |
| Leshaw Family LTD Partnership | | 4842 Queen Florence Lane | | | Woodland | CA | 91364 | |
| Leshaw Family LTD Partnership Dale Leshaw - Agent | | 4842 Queen Florence Lane | | | Woodland Hills | CA | 91364 | |
| Lesley L. Baldwin | | 4281 Hathaway Ln. | | | Mt. Olive | AL | 35117 | |
| Leslie Youngson | | 1605 Lake Ridge Cir. | | | Birmingham | AL | 35216 | |
| Levelle Tyson | | 2507 Inverness Ln. | | | Birmingham | AL | 35242 | |
| Lewis B. Abronski, TTEE Lewis B & Mary R. Abronski Trust U/A DTD 4/19/2007 | Lewis B. Abronski, TTEE | 500 Spanish Fort Blvd. Apt #303 | | | Spanish Fort | AL | 36527 | |
| Liddle Family Trust | John K & Patricia A Liddle Trustees | 428 Winsor Drive | | | Antioch | IL | 60002-1316 | |
| Liddle Family Trust | John K & Patricia A Liddle Trustees | John K Kiddle | 428 Winsor Drive | | Antioch | IL | 60002-1316 | |
| Lillian P. Parker | | 808 Center Pl. SW | | | Birmingham | AL | 35211 | |
| Lincoln Builders, Inc. | | PO Box 400 | | | Ruston | LA | 71273-0400 | |
| Linda B. Goldblatt | | 5164 Scarlet Oak Cir. | | | Bessemer | AL | 35022 | |
| Linda Diane Peavy | | Jefferson County Courthouse | 716 Richard Arrington Jr Blvd N | | Birmingham | AL | 35203 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|----------------------------------|---------------------------|----------|---------------|-------|---------------|---------|
| Linda Diane Taylor | | 913 52nd Way N, Apt. A | | | Birmingham | AL | 35212 | |
| Linda E. Gray | | 3736 Grasselli Ave S. W. | | | Birmingham | AL | 35221 | |
| Linda F. Lindley | | 7608 John Pelham Trail | | | McCalla | AL | 35111 | |
| Linda F. Varden | | 16628 Groundhog Rd. | | | Adger | AL | 35006 | |
| Linda G. Webster | | 20 Clydes Cove Rd. | | | Hayden | AL | 35079 | |
| Linda Gottschall Rev Trust Linda Gottschall TTEE | | 10262 Heronwood Lane | | | West Palm Bch | FL | 33412 | |
| Linda H. Kreider | | 903 Leslie Ln. | | | Gardendale | AL | 35071 | |
| Linda J. Johnson | | 4925 Huntsville Ave. | | | Brighton | AL | 35020 | |
| Linda Jane Evanswood | | 44 Iron Mill Garth | | | Hunt Valley | MD | 21030 | |
| Linda K. Hadder | | 6921 H B Ware Cir. | | | Trussville | AL | 35173 | |
| Linda Kay Russell | | 1524 14th Ave. S, Apt. #12 | | | Birmingham | AL | 35205 | |
| Linda L. Wyman | | 4431 Bryan Rd., P.O. Box 1021 | | | Dora | AL | 35062 | |
| Linda M. Hand | | 6121 Russet Meadows Cir. | | | Birmingham | AL | 35244 | |
| Linda Paulette Kelly | | 5229 7th Ave. S | | | Birmingham | AL | 35212 | |
| Linda R. Chandler | | PO Box 337 | | | Fairfield | AL | 35064-0337 | |
| Linda R. Files | | 1530 45th St. W | | | Birmingham | AL | 35208 | |
| Linda R. Terry | | 3595 Gilbert Dr | | | Hueytown | AL | 35023 | |
| Linda Shirley Seidman | Linda Shirley Seidman | 108 Hewlett Ave | | | Merrick | NY | 11566 | |
| Linda Shirley Seidman - IRA | | 108 Hewlett Ave | | | Merrick | NY | 11566 | |
| Linda W. Owens | | 447 15th Ct. NW | | | Birmingham | AL | 35215 | |
| Linda W. Willis | | 21565 Hwy 11 | | | Steele | AL | 35987 | |
| LINDSEY ESTATES LLC | | 15 SOUTHLAKE LN STE 300 | | | BIRMINGHAM | AL | 35244 | |
| Lindsey H. Williams | | PO Box 456 | | | Fultondale | AL | 35068 | |
| Lisa Frost | | 6806 Whitetail Dr. | | | Birmingham | AL | 35242 | |
| Lisa Massey Bradford | | 25 Lagoon Drive | | | Gulf Shores | AL | 36542 | |
| Lisa Massey Bradford | Craig D. Olmstead, Esq. | 234 Office Park Dr. | | | Gulf Shores | AL | 36542 | |
| Lisa Mullins | | 1418 Lantana Dr. | | | Hoover | AL | 35226 | |
| Lisa Townsend | | 5149 South Broken Bow Dr. | | | Birmingham | AL | 35242 | |
| LKQ Corporation | | 24559 Hwy. 79 N | | | Trafford | AL | 35172 | |
| Lloyd Bolding and Evelyn Bolding | | 2490 FM 2276 | | | Kilgore | TX | 75662-6990901 | |
| Lloyd Gray Whitehead & Monroe PC | | 2501 20th Pl. S., Ste. 300 | | | Birmingham | AL | 35223 | |
| Lloyd W Boger & Gerry A. Boger | | 3820 19th St | | | Great Bend | KS | 67530 | |
| Lloyds TSB Bank plc | Amy Vespasiano Senior Vice President | 1095 Avenue of the Americas | | | New York | NY | 10036 | |
| Lloyds TSB Bank PLC | c/o James E. Spiotto | Chapman & Cutler LLP | 111 W Monroe St. | | Chicago | IL | 60603-4080 | |
| Lloyds TSB Bank Plc | James E Spiotto Esq | c o Chapman and Cutler LLP | 111 W Monroe St | | Chicago | IL | 60603 | |
| LMA North America | | P.O. Box 51275 | | | Los Angeles | CA | 90051-5575 | |
| Loader Services | | 319 Bearden Road | | | Pelham | AL | 35124 | |
| Long-Lewis Hardware | | P.O. Box 2687 | | | Birmingham | AL | 35202 | |
| Lonnie Charles Mitchell | | 1625 Edmondson Rd | | | Hanceville | AL | 35077 | |
| Lonzella Carr | | 2120 7th St NW | | | Birmingham | AL | 35215 | |
| Lonzo Rutland | | 1200 2nd St | | | Birmingham | AL | 35214 | |
| Loopnet Inc. | | 1801 W Olympic Blvd. | | | Pasadena | CA | 91199-1054 | |
| Lora Y Seaye | | 1421 Medina Ln | | | Birmingham | AL | 35235-1603 | |
| Loran Belcher | | P.O. Box 148 | | | Morris | AL | 35116 | |
| Lorenza Johnson | | 6204 Crest Green Rd #104 | | | Birmingham | AL | 35212 | |
| Loretta Gail Nash | | 4900 Terr. M | | | Birmingham | AL | 35208 | |
| Lori Chandler | | 728 Liberty Lake Dr | | | Birmingham | AL | 35242-7547 | |
| Lorino Webb | | 2019 Central Way S | | | Birmingham | AL | 35205 | |
| Lot of Xcellent | | 2260 Brewster Rd | | | Clay | AL | 35235 | |
| Louis A Pretto Revocable Trust | Vera Pretto (Trustee for the Louis A. Pretto Trust) | 3527 Sotogrande Ct | | | Pensacola | FL | 32504 | |
| Louis and Marion P. Slaipoh | | 620 Amaryllis Drive | | | Barefoot Bay | FL | 32976 | |
| Louis E. Tebbe, Trustee | | 121 S. Mulberry St. | | | Batesville | IN | 47006 | |
| Louis J. Pouey Jr & Claudia M. Pouey | | 644 Avenue De Bellevue | | | Covington | LA | 70433 | |
| Louis L Lunetta Jr | | 3208 Powers Ford SE | | | Marietta | GA | 30067 | |
| Louis L Lunetta Jr & Christine Lunetta | | 3208 Powers Frd SE | | | Marietta | GA | 30067 | |
| Louis Luft Lori Warner Lisa Tripodi | Louis Luft | 143 Carriage Lane | | | Plainview | NY | 11803-1527 | |
| Louis Luft, Lisa Tripodi, Lori Warner | | 143 Carriage Lane | | | Plainview | NY | 11803-1527 | |
| Louis Padnos Iron & Metal Co. | | 185 W. 8th St. | | | Holland | MI | 49422 | |
| Louise A Steiger Trust UA DTD 05/11/1990 | LSteiger & PSteiger TTEE | U/A DTD 05/11/1990 | 8608 Villa La Jolla Drive | | La Jolla | CA | 92037 | |
| Louise E. Blumberg | c/o Daniel E. Blumberg | 1119 W. Randol Mill Rd., Ste 101 | | | Arlington | TX | 76012 | |
| Louise Hawkins | | 521 Lynnwood Circle | | | Birmingham | AL | 35217 | |
| Louise M. Solazzi | TOD Christine Solazzi, Michael Solazzi & Maria Norelli | 8240 SE Paurotis Lane | | | Hobe Sound | FL | 33455-8251 | |
| Louise M. Solazzi | TOD Christine Solazzi, Michael Solazzi & Marie Norelli | 8240 SE Paurotis Lane | | | Hope Sound | FL | 33455-8251 | |
| Lourdes Michel | | 917 S. Alford Blvd. | | | Evansville | IN | 47714 | |
| LOVE TIMOTHY | | 319 35TH AVE NE | | | CENTER POINT | AL | 35215-1405 | |
| Lovie D. Brundige | | 153 Highwood Dr. | | | Birmingham | AL | 35211 | |
| Lowe Paulla | | 7116 Cumby Greer Rd | | | Quinton | AL | 35130 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|-----------------------------------|---------------------------------------|----------------------|-----------------------|---------------|-------|------------|---------|
| Lowery Homes Inc | | 2552 Oak Leaf Cir | | | Bessemer | AL | 35022 | |
| Lowery Homes Inc | | 2576 Oak Leaf Cir | | | Bessemer | AL | 35022 | |
| Lowery Homes Inc | | 2624 Oakleaf Cir Lot 229 | | | Bessemer | AL | 35022 | |
| Lowery Homes Inc | | 2629 Hawthorne Lake Rd | | | Bessemer | AL | 35022 | |
| Lowery Homes Inc | | 2655 Piedmont Dr | | | Bessemer | AL | 35022 | |
| Lowery Homes Inc | | 2664 Piedmont Dr | | | Bessemer | AL | 35022 | |
| Lowery Homes Inc | | 2665 Piedmont Dr | | | Bessemer | AL | 35022 | |
| Lowe's Home Improvement | | P.O. Box 530954 | | | Atlanta | GA | 30353-0954 | |
| LSQ Funding Group | | P.O. Box 404322 | | | Atlanta | GA | 30384-4322 | |
| Lucien Hagedorn | | 2429 Shades Crest Rd. | | | Birmingham | AL | 35216 | |
| Lucious Howard | | 6 Bluebell St. | | | Bessemer | AL | 35020 | |
| Lucius L. Ashworth | | 1460 Morris Majestic Rd | | | Morris | AL | 35116 | |
| Luther B. Walker, Jr. | | 180 Barnes Road | | | Bessemer | AL | 35023 | |
| Luther L. Ikner | | 504 27th Ave, NW | | | Birmingham | AL | 35215 | |
| Luther Strange, Esq. | Attorney General State of Alabama | 501 Washington Ave. | | | Montgomery | AL | 35130 | |
| Luther Zimmerman | | 3705 41st Street N | | | Birmingham | AL | 35217 | |
| Luverne G. Johnson | | 2021 Foxfire Road | | | Anderson | SC | 29621 | |
| Lydia Anthony | | 1025 Hillcrest Dr. | | | Bessemer | AL | 35022 | |
| Lyle Kinsler | | 226-26 Union Tpk Apt 4G | | | Bayside | NY | 11364 | |
| Lynn G. Baswell | | 7669 Gadenwood Cir. | | | McCalla | AL | 35111 | |
| Lynn Michelle Mintun | | 3330 10 Ridge Manor Dr. | | | Birmingham | AL | 35216 | |
| Lynne Olive Washington | | 6058 Overlook Ln. | | | Bessemer | AL | 35022 | |
| M & R Pipe & Supply Inc. | | P.O. Box 12584 | | | Birmingham | AL | 35202-6584 | |
| M Fox & J Fox TTEE Jeannine C. Fox Trust | Charles Schwab | 2423 Lincoln Drive | | | Phoenix | AZ | 85016 | |
| M Fox & J Fox TTEE Jeannine C. Fox Trust | JEANNINE C. FOX | 11204 CEDAR | | | LEAWOOD | KS | 66211 | |
| M. Stephen Huss | | 410 Shoreline Dr | | | Decatur | IL | 62521 | |
| Mabel Otamias | | 2021 Chaddonay Way | | | Homewood | AL | 35216 | |
| Madeline J. Daubert | | 428 Chaparral Ln | | | Flat Rock | NC | 28731 | |
| Magic Nails 2 | | 2260 Brewster Rd | | | Clay | AL | 35235 | |
| Mahone Brenda | c/o Samuel E Wiggins III | 334 6th Ave S | | | Birmingham | AL | 35205 | |
| Maintenance Plus, Inc. | Attn David Strickland | 1206 First Ave. N | | | Birmingham | AL | 35233 | |
| Malcolm L. Calvert | | 5590 Deans Ferry Rd. | | | Trafford | AL | 35172 | |
| Malinda Denise Bryant | | 6300 Crest Club Cir. | | | Birmingham | AL | 35221 | |
| Mallard Jeff | | 3565 Lorna Rd Apt8 | | | Hoover | AL | 35216 | |
| Mallerie Joye Ladner | | 160 Stratford Cir. | | | Pelham | AL | 35124 | |
| Mamie Stove | | 8436 7th Ave. S | | | Birmingham | AL | 35206 | |
| MANN TRAVIS | | 746 DOSS ST | | | KIMBERLY | AL | 35091 | |
| Mantek | | 23261 Network Pl. | | | Chicago | IL | 60673-1232 | |
| Maralyn Mosley | c/o William J. Baxley, Esq. | Baxley, Dillard, Dauphin, McKnight | | 2008 3rd Ave. S | Birmingham | AL | 35233 | |
| Marcelyn M. Angwin | Attorney at Law, Inc. | The Judy Building | | 1823 3rd Avenue North | Bessemer | AL | 35021 | |
| Marchay Murphy | | 1661 Fulton Ave. SW | | | Birmingham | AL | 35211 | |
| Marche Michelle Pendleton | | 414 Warren Street | | | Bessemer | AL | 35022 | |
| Marcia B. Sizemore | | 2026 Chandalar Ct. | | | Pelham | AL | 35124 | |
| Marcus D. Maddox | | 2100 Willow Glen Dr | | | Birmingham | AL | 35215 | |
| Margaret H. Fyfe | | 1126 Oak River Road | | | Memphis | TN | 38120 | |
| Margaret L. Tannehill | | 136 East Crest Rd. | | | Hueytown | AL | 35023 | |
| Margaret S. Bryant | | 3616 13th St. E | | | Tuscaloosa | AL | 35404-4312 | |
| Margie Swain | | 2024 33rd Ave. N | | | Birmingham | AL | 35207 | |
| Maria E Fernandez | | 10186 NW 127 St | | | Hia Gardens | FL | 33018 | |
| Maria Lucia Tucker | | 1252 Maple St | | | Birmingham | AL | 35217-3006 | |
| Marian Oberman | | 2800 Southwood Rd | | | Birmingham | AL | 35223 | |
| Marianne Hill | | 643 Georgia Avenue | | | Marysville | MI | 48040 | |
| Marie Elaine Cashion, Trustee | Marie Cashion | 3040 Hickory Ridge Circle | | | Bryan | TX | 77807 | |
| Marien T. Brent | c/o Miriam Fearn | 2307 Riviera Dr. N. | | | Mobile | AL | 36605 | |
| Marilyn A. Hart | | P.O. Box 19512 | | | Sarasota | FL | 34276 | |
| Marilyn E. Racow | | One Clubhouse Lane | | | Boynton Beach | FL | 33436-6056 | |
| Marilyn J. Bennett | | 8930 Christian Loop | | | Adger | AL | 35006 | |
| Marilyn Jo Klein | | 6025 Torrey Pines Dr | | | El Paso | TX | 79912 | |
| Marilyn Jones | | 1737 30th St Ensley | | | Birmingham | AL | 35208 | |
| Marilyn Quinn Sills | | 5548 Parkside Dr. | | | Birmingham | AL | 35242 | |
| Marilyn Taylor | | 637 Goldwire Pl. SW, Apt. B | | | Birmingham | AL | 35211 | |
| Marion A. Wall | | 103 Woodland Drive | | | Wetumpka | AL | 36092 | |
| Marjorie E. Abernathy and Robert H. Chapman JTEN | c/o Susan Reynolds | Marjorie Abernathy and Robert Chapman | 1301 Stonehaven Road | | Columbia | MO | 65203 | |
| Marjorie R Blackston Morris | | 7635 Lock 17 Road | | | Bessemer | AL | 35023 | |
| Marjorie Robin Blackston | | 7635 Lock 17 Rd. | | | Bessemer | AL | 35023 | |
| Mark A. Dabbs | | P.O. Box 3296 | | | Hueytown | AL | 35023 | |
| Mark A. Hubbard | | 136 Sterling Dr. | | | Hueytown | AL | 35023 | |
| Mark A. Reed | | 211 Big Springs Cr | | | West Blocton | AL | 35184 | |
| Mark and Susan Crayne | | PO Box 530130 | | | Birmingham | AL | 35253 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|----------------------------------|----------------------------|--|------------------|-------|-------------|---------|
| Mark Anderson | | 2701 Corner Rd | | | Warrior | AL | 35180 | |
| Mark Andrew Spurlin | | 2158 Mallard Square | | | Birmingham | AL | 35216 | |
| Mark C. Farley | | 731 Somerset Blvd. | | | Bessemer | AL | 35020 | |
| Mark D. Wilson | | 8170 Deerhaven Rd. | | | Springville | AL | 35146 | |
| Mark Donaldson | | 1840 Hickory Lane | | | Fultondale | AL | 35068 | |
| Mark J. Self | | 2825 Goodwin Rd. | | | Morris | AL | 35116 | |
| Mark Kelly | | 5040 Trussville Clay Rd. | | | Trussville | AL | 35173 | |
| Mark L. Becker & Susan A. Albright | Mark Becker | 10750 SW Wedgewood St | | | Portland | OR | 97225 | |
| Mark P. Bryant | | 417 Orchid Rd | | | Birmingham | AL | 35215 | |
| Mark P. Bryant | | 544 Gadsden Hwy., Apt. B 26 | | | Birmingham | AL | 35215 | |
| Mark S. Voelpel and Susan R. Voelpel | | 11215 Mosley Farm Court | | | St. Louis | MO | 63141 | |
| Mark Shaw | | 7697 John Pelham Tr. | | | McCalla | AL | 35111 | |
| Mark Steven Drake Jr | | 4600 Meadow Ln. | | | Dora | AL | 35062 | |
| Mark Steven Drake Jr. | Mark Steven Drake Jr | 4600 Meadow Ln. | | | Dora | AL | 35062 | |
| Mark T Arthur & Sandy J Arthur | M.T. Arthur | 429 Verandah Ln | | | Franklin | TN | 37064 | |
| Mark T. Stubbs (Decd) | | 2065 County Hwy. 35 | | | Horton | AL | 35980 | |
| Mark V. Clark | | 2775 County Hwy. 11 | | | Hayden | AL | 35079 | |
| Marland Apartments | c/o Ms. Whitney Taylor, Manager | 2727-E Jefferson Ave SW | | | Birmingham | AL | 35211 | |
| Marlene Dreifach Tr & Kenneth Dreifach Tr U/W Donald Dreifach | | 2430 Haring St. Apt. 6G | | | Brooklyn | NY | 11235-1841 | |
| Marlene Smith | | 1817 3rd Pl. SW | | | Birmingham | AL | 35211 | |
| Marlon J. Todd | | 943 52nd Pl. N, Apt. 1A | | | Birmingham | AL | 35212 | |
| Marlon Tolliver | | 1605 Hampton Park Dr | | | Birmingham | AL | 35216 | |
| Marquita Ceylon Wonpini | | 750 Mountain Dr | | | Anniston | AL | 36206-7334 | |
| Martha Bimbow | | 712 J 47th St. N | | | Birmingham | AL | 35212 | |
| Martha K. McClendon | | 946 Country Club Dr | | | Ozark | AL | 36360 | |
| Martin Cohen Estate | Couzens, Lansky, Fealk, Ellis, Roeder & Lazar, P.C. | Jerry M. Ellis | Country Club Office Centre | 39395 West Twelve Mile Road, Suite 200 | Farmington Hills | MI | 48331 | |
| Martin Cohen Estate | Gloria Cohen, Personal Representative | 4749 Tara Court | | | West Bloomfield | MI | 48323 | |
| Martin Jr James | | c o Jeff Martin | 3221 Grandlake Blvd | | Kenner | LA | 70065 | |
| Martin V. Lampman | | 1508 5th Ave S | | | Jasper | AL | 35501 | |
| Marvance J. Coody | | 2133 16th Ave. S, Apt. J | | | Birmingham | AL | 35205 | |
| Marvin & Shirley Stromer Revocable Trust UAD 10/15/01 | | 1224 25th Street | | | Ames | IA | 50010-4427 | |
| Marvin C Holz Survivors Trust | Marvin C. Holz | 2117 W Apple Tree Rd | | | Glendale | WI | 53209-3307 | |
| Marvin Fred Letz | | 4403 Lakeside Ct. | | | Colleyville | TX | 76034 | |
| Marvin L. Droege Trust - Marvin L. Droege, Trustee and Dixie K. Droege , Trustee | Marvin L. Droege Trust | P.O. Box 310 | | | Blue Springs | MO | 64013-0310 | |
| Marvin L. Droege Trust - Marvin L. Droege, Trustee and Dixie K. Droege , Trustee | National Financial Services | 100 Crosby Parkway Mailzone KCIA | | | Covington | KY | 41015 | |
| Marvin Marshall | | 288 Chateau La Salle Dr. | | | San Jose | CA | 95111-3023 | |
| Marvin Needler & Priscilla A. Needler JT Ten | Marvin Needler | 6649 E 65th St | | | Indianapolis | IN | 46220-4301 | |
| Mary A. Lloyd | | 337 Marla Drive | | | Cohutta | GA | 30710-9354 | |
| Mary Alice Rihardson | | 929 McMillon Ave | | | Birmingham | AL | 35211 | |
| Mary Ann Maton Trust | | 9500 Old Indian Trail | | | Chatham | IL | 62629-8615 | |
| Mary Ann Means | | 1401 Monroe Ave., Apt. G | | | Birmingham | AL | 35211 | |
| Mary B. Sexton | | 1300-14th Ave. No. | | | Bessemer | AL | 35020 | |
| Mary Collins | | 7421 2nd Ave. N, Apt. A | | | Birmingham | AL | 35206 | |
| Mary D. T. Smith | | 4243 40th Ct. N | | | Birmingham | AL | 35217 | |
| Mary Della Moss | | 2713 Countrywood Way | | | Birmingham | AL | 35243-2447 | |
| Mary E. Hicks | | 1967 Bryan Rd | | | Dora | AL | 35062 | |
| Mary E. Smith | | 1813 9th Pl. NW | | | Birmingham | AL | 35215 | |
| Mary Elaine Rich Feenker | | 1629 5th Pl NW | | | Birmingham | AL | 35215 | |
| Mary F O Rear | | 1482 Dogwood Lane | | | Hueytown | AL | 35023 | |
| Mary Frances Carroll | | 5625 Ave Q | | | Birmingham | AL | 35208 | |
| Mary Harrell | | 233 Wisteria Ln. | | | Alabaster | AL | 35007 | |
| Mary Harris Powell | | 6304 Crest Green Rd Apt 205 | | | Birmingham | AL | 35212 | |
| Mary Helen Brown | | 544 Gadsden Hwy., Apt. B 26 | | | Birmingham | AL | 35235 | |
| Mary Hunter Slaton | | 2301 Ashland Place Ave | | | Mobile | AL | 36607-3207 | |
| Mary Jo Matranga | | 4550 Old Shell Rd | | | Mobile | AL | 36608 | |
| Mary Kay Inc | Attn Jamie Cherry, 10.075 | 16251 Dallas Parkway | | | Addison | TX | 75001 | |
| Mary L. Winston | | PO Box 1212 | | | Birmingham | AL | 35201-1212 | |
| Mary Mpemba | | 3715 Rainbow Dr Apt 141 B | | | Rainbow City | AL | 35906 | |
| Mason John IV et al | Dan C King IIIAnna Louise HartStewart and Stewart PC | 1823 Third Ave NorthSuite 300 | | | Bessemer | AL | 35020 | |
| Mason Rodney Lewis | c o Edward May & Assoc | 310 Arrington Blvd N | Ste 100 A | | Birmingham | AL | 35203-3364 | |
| Matthew Cody Hayes | | 715 Natchez Trail | | | Warrior | AL | 35180 | |
| Matthew Cohen | | 109 Yvonne Cr | | | Trussville | AL | 35173 | |
| Matthew D. Casey | | 2970 Cahaba Valley Rd | | | Indian Springs | AL | 35124-35114 | |
| Matthew David Sellers | | 9165 Taylors Ferry Rd | | | Bessemer | AL | 35023 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|------------------------------------|-----------------------|-----------------------|------------------|-------|------------|---------|
| Matthew J. Peoples | | 1398 Miranda Rd. | | | Warrior | AL | 35120 | |
| Matthew James Self | | 8426 Wade Rd | | | Warrior | AL | 35180 | |
| Matthew Leo | | 4624 Ivanhoe Place | | | Columbia Heights | MN | 55421 | |
| Mattie M. Bell | | 3433 Ridge Crest Dr. | | | Hoover | AL | 35216 | |
| Mauldin Marcus Adam | c o SmithTyra Thomas and Haggard | PO Box 586 | | | Alabaster | AL | 35007-0586 | |
| Maureen T. Morehouse TTEE, Maureen Horvatch Trust U/A dtd 07/28/2004 | Maureen T. Morehouse | 1199 Westcreek Lane | | | Westlake Village | CA | 91362 | |
| Max Tool Inc. | | 119-B Citation Ct. | | | Birmingham | AL | 35209 | |
| Maxim Healthcare Services Inc. | | 12558 Collections Ctr. Dr. | | | Chicago | IL | 60693 | |
| MBIA Insurance Corporation | | 113 King St. | | | Armonk | NY | 10504 | |
| MCALISTER CHRISTOPHER WADE | | 1459 OLD ROCK CREEK RD | | | HUEYTOWN | AL | 35023-8005 | |
| MCANALLY WILLIAM | | 2222 BEAT LINE RD | | | WARRIOR | AL | 33180 | |
| MCCAIN WESLEY | | 2823 AVE F | | | BIRMINGHAM | AL | 35218 | |
| McCaleb Timmons Agency | | P.O. Box 8302 Ensley | | | Birmingham | AL | 35218 | |
| McCarty Farrar Masonic Lodge | | 3523 Mount Olive Rd. | | | Mt. Olive | AL | 35117 | |
| McCarty-Farrar Lodge 8 | | P.O. Box 321 | | | Mt. Olive | AL | 35117 | |
| MCCOOL DAVID | | 5636 LYNNE DR | | | MCCALLA | AL | 35111 | |
| McCray Jr Charles W | | 2335 Steiner Ave SW | | | Birmingham | AL | 35211 | |
| McCrorry Building Co. Inc. | | 1400 McCrorry Ln. | | | Birmingham | AL | 35216 | |
| McCullers Zhaleh | Abigail P Van Alstyne | 420 20th St N Ste 1400 | | | Birmingham | AL | 35203-3221 | |
| McCullers Zhaleh | c o Abigail P van Alstyne EsqQuinn Walls Weaver and Davis LLP | Ste 380 East2700 Hwy 280 | | | Birmingham | AL | 35223 | |
| McDermott Will & Emery LLP | Gregory A. Kopacz | 340 Madison Avenue | | | New York | NY | 10173-1922 | |
| McDowell Knight Roeddler & Sledge L.L.C. | Pauline Holder | 11 North Water Street Suite 13290 | | | Mobile | AL | 36602 | |
| McGoff-Bethune Inc. | | 5970 Unity Dr., Ste. A | | | Norcross | GA | 30071 | |
| McKesson Medical Surgical | | P.O. Box 630693 | | | Cincinnati | OH | 45263-0693 | |
| MCKINNEY EARTHA MAE | | 552 KAREN ST | | | BIRMINGHAM | AL | 35228-2215 | |
| McMillan Jr George D H | c o John W Scott EsqScott Dukes and Geisler PC | 211 22nd St N | | | Birmingham | AL | 35203-3707 | |
| McMurray Anna | | 5430 Dug Hollow Rd | | | Pinson | AL | 35126 | |
| McNear Denise | for the Estate of Kanecia McNear Decc o Anthony Ifediba | Ifediba Law Group LLC | 1220 16th St S | | Birmingham | AL | 35205 | |
| McWane Science Center | | 200 19th Street N. | | | Birmingham | AL | 35203 | |
| MEADOW RIDGE LLC | | 14 OFFICE PARK CIR STE 260 | | | BIRMINGHAM | AL | 35223 | |
| Meahgen M Hall Long | | 1111 Brickyard Rd No A | | | Sylacauga | AL | 35150-6479 | |
| Medical Data Systems Inc | | 2001 9th Avenue-Suite 312 | | | Vero Beach | FL | 32963 | |
| Medical Learning Inc. | | 287 E 6th St., Ste. 400 | | | St. Paul | MN | 55101 | |
| Meeks Environmental Services LLC | | 1625 Holmes Dr. | | | Bessemer | AL | 35020 | |
| Megan Reneice Walker | | 1958 Melinda Way | | | Birmingham | AL | 35214 | |
| Melanie Ann Troncale | | 4206 Inverness Cliffs | | | Birmingham | AL | 35242 | |
| Melanie Pollard | | 2714 Altadena Lake Rd. | | | Birmingham | AL | 35243 | |
| Melba W. Harmon | | 6580 Alice Rd. E | | | McCalla | AL | 35111 | |
| Melinda L. Still | | 7326 Teaswood Dr. | | | Conroe | TX | 77304 | |
| Melinda Lee Belvin | | P.O. Box 203 | | | Helena | AL | 35080 | |
| Melissa Cosby | | 716 Richard Arrington, Jr. Blvd. N | | | Birmingham | AL | 35203 | |
| Melissa Marie Boshell | | 425 Autrey Ave | | | Odenville | AL | 35120 | |
| Melissa Rogers Fisher | | 5608 Victoria Dr. | | | Hueytown | AL | 35023 | |
| Melvin Apicella | | P.O. Box 267 | | | Fairbank | PA | 15435 | |
| MELVIN JERRY | | 320 TULMIN CIR | | | WARRIOR | AL | 35180 | |
| Melvin Terrye R | Herbie Brewer | 341 W 19th St | | | Jasper | AL | 35501 | |
| Melvis M. Smith | | 1928 Byrnes Road | | | North Augusta | SC | 29841 | |
| Merchant, Marceyleene | | 2727 Jefferson Ave SW Apt B | | | Birmingham | AL | 35211-4018 | |
| Meredith Atwater | | 2721 Drennen Cir. | | | Birmingham | AL | 35242 | |
| Meredith Knight | | 870 Vine Street | | | Chattanooga | TN | 37403 | |
| Merrick Inc. | | 8190 Beechmont Ave., #326 | | | Cincinnati | OH | 45255 | |
| Merrill Lynch | | 100 Grandview Place, 2nd Floor | | | Birmingham | AL | 35243 | |
| Merry Lezah Fields | | 9060 Sarah Lane | | | Bessemer | AL | 35023 | |
| Metro Truck Rental | | 212 W. Oxmoor Rd. | | | Birmingham | AL | 35209 | |
| Metropolitan Birmingham Services | | 1704 5th Ave. N | | | Birmingham | AL | 35203 | |
| Metropolitan Development Board | Attn Ted von Cannon, Exec. Director | 500 Beacon Pkwy. W | | | Birmingham | AL | 35209 | |
| Meza, Terryu Estate of Jonathan A. Davis | Hollis, Wright & Couch, P.C. | c/o Atty Joshua L. Firth | 1500 Financial Center | 505 North 20th Street | Birmingham | AL | 35203 | |
| Mfon Enobong Obot | | 605 Linden Street | | | Trussville | AL | 35173 | |
| Miami Tribe of Oklahoma Business Development Auth | c o Stephen W Shaw EsqRedden Mills and Clark LLP | 940 Financial Ctr | 505 20th St N | | Birmingham | AL | 35203 | |
| Miaonette Thomas | c/o Petway, Tucker & Barganier | 2001 Park Pl. N, Ste. 510 | | | Birmingham | AL | 35203 | |
| Michael A. Chandler, MD | | 2525 Shades Crest Rd. | | | Birmingham | AL | 35216 | |
| Michael A. Russell | | 30 Old Hill Rd. | | | Warrior | AL | 35180 | |
| Michael B Murday & Laura A Murday JTWROS | | 2 Poppy Drive | | | Hillsborough | NJ | 08844-5437 | |
| Michael Bishop Jr | | PO Box 36206 | | | Birmingham | AL | 35236 | |
| Michael Bishop Jr. | Michael Bishop Jr | PO Box 36206 | | | Birmingham | AL | 35236 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|------------------------------------|------------------------------------|------------------------------|----------|-----------------|-------|------------|---------|
| Michael Clagett | | 18468 Hidden Springs Dr. | | | Vance | AL | 35490 | |
| Michael Cokinos | | 5718 West Heimer Suite 900 | | | Houston | TX | 77057 | |
| Michael Cole | | 5311 Hoadley Street | | | Brighton | AL | 35020 | |
| Michael D. Hawkins | | 5026 Gold Leaf Ln. | | | Pinson | AL | 35126 | |
| Michael D. Vaughn | | 34 1/2 Morgan Ave | | | Ridgway | PA | 15853-1109 | |
| Michael Deming | | 95 Heritage Creek Dr. | | | Springville | AL | 35146 | |
| Michael E. Kipp | | 109 Wilson Glen Dr. | | | Wilsonville | AL | 35186 | |
| Michael Eugene Hale | | 12087 Danny Dr. | | | McCalla | AL | 35111 | |
| Michael F. Moore | | 1715 McCaskill St | | | Tarrant | AL | 35217 | |
| Michael G. Lee | | 960 Mountain Tr. | | | Warrior | AL | 35180 | |
| Michael Gray | | 1424 27th St. | | | Birmingham | AL | 35218 | |
| Michael Green | | 20943 Walnut Ln | | | Vance | AL | 35490 | |
| Michael J. Campbell | | 917 Pinehaven Dr. | | | Hueytown | AL | 35023 | |
| Michael Jason Asbell | | 4924 7th Ave S | | | Birmingham | AL | 35222 | |
| Michael K. Cooper | | 1164 Yeager Pkwy. | | | Pelham | AL | 35124 | |
| Michael Kidd | | 7880 Barbana Dr | | | McCalla | AL | 35111 | |
| Michael L. Pizzella | | 405 Bluff Crest | | | St. Louis | MO | 63129 | |
| Michael Ledale Bigham | | 1200 4th Ave. SW | | | Bessemer | AL | 35023 | |
| Michael Partain | | 1290 Oak Grove Road | | | Birmingham | AL | 35209 | |
| Michael R Morenilla | | 57 Hanover Circle #123 | | | Birmingham | AL | 35205 | |
| Michael Richard Barte | | P.O. Box 55 | | | Morris | AL | 35116 | |
| Michael Roy Gipson | | 517 Altadena Dr. | | | Gardendale | AL | 35071 | |
| Michael Streety | | 5060 Gold Leaf Lane | | | Pinson | AL | 35126 | |
| Michael Studdard | | 2223 Dusty Ln. | | | Mt. Olive | AL | 35117 | |
| Michael T. Green | | 890 Deans Ferry Rd. | | | Hayden | AL | 35079 | |
| Michael Tuskerman | | 30 Port Royal Ave. | | | Foster City | CA | 94404-3581 | |
| Michael W. Johnson | | 114 Gossett Camp Rd. | | | Adger | AL | 35006 | |
| Michael W. Lindon | | 1999 River Oaks Point | | | Cropwell | AL | 35054 | |
| Michael W. Pierre & Judith K. Pierre JTWROS | | 9314 Esplanade Dr. | | | Dallas | TX | 75220 | |
| Michael Wayne Parsons | c/o Bret Gray | 1818 3rd Ave. N | | | Bessemer | AL | 35020 | |
| Michael Woodman | | 131 Cooper St | | | Hueytown | AL | 35023 | |
| Micheal Or Misti Bartlet | | 9869 Hill Ln | | | Warrior | AL | 35180 | |
| Michele Yvette Morsby | | 1336 15th Way SW | | | Birmingham | AL | 35211 | |
| Michelle Denise Hamilton | | 1805 Tree Crossing Pkwy. | | | Hoover | AL | 35244 | |
| Michelle Dontranese Collins | | 660 Valley Crest Dr #D72 | | | Birmingham | AL | 35215 | |
| Michelle Kelly | | 969 Silver Lake Blvd | | | Dover | DE | 19904 | |
| Michelle Tate | | 3007 Avenue B Ensley | | | Birmingham | AL | 35218 | |
| Michelle Tyson | | 2337 3rd St. NE | | | Birmingham | AL | 35215 | |
| Microsoft Corporation | | P.O. Box 844510 | | | Dallas | TX | 75284-4510 | |
| Midfield City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Mildred L. Langsam | | 4607 King Palm Dr | | | Tamarac | FL | 33319-6122 | |
| Mildred Luria Langsam Trust | Mildred L. Langsam | 4607 King Palm Dr | | | Fort Lauderdale | FL | 33319-6122 | |
| MILES WILSON | | 9109 CAMP OLIVER RD | | | ADGER | AL | 35006 | |
| Miller Starla | | 800 Meadowbrook Dr | | | Birmingham | AL | 35215 | |
| Millipore Corporation | | 290 Concord Rd | | | Billerica | MA | 01821 | |
| Milner Milling Inc. | | Attn Dwight Cornell | P.O. Box 2247 | | Chattanooga | TN | 37409 | |
| Milos Tea Co. Inc. | Attn Mark Jacobs | 3112 Dublin Ln. | | | Bessemer | AL | 35022 | |
| Milton A. Lee | | 3417 28th Ave. N | | | Birmingham | AL | 35207 | |
| Milton Pearce Blake | | 520 E Martin Ave | | | Pauls Valley | OK | 73075-2619 | |
| Minnie B. Whitley | | 132 Starr Cir | | | Adamsville | AL | 35005-1059 | |
| Miracle Deliverance Temple | | PO Box 39741 | | | Birmingham | AL | 35208-0018 | |
| Miriam H. Smith Revocable Trust | c/o Ronald Schreiber | 10101 Squires Trail | | | Great Falls | VA | 22066 | |
| Mirion Technologies (Gds) Inc. | | 2652 McGaw Ave. | | | Irvine | CA | 92614 | |
| Mission Birmingham | | po bOX 55177 | | | Birmingham | AL | 35255 | |
| Mission Communications | | 3060-C Business Park Dr. | | | Norcross | GA | 30071 | |
| Misty M. Neal | | 123 Dee Trail | | | Trafford | AL | 35172 | |
| Mitchell Investments | | 960 Forestdale Blvd. | | | Birmingham | AL | 35214 | |
| Mohamed Ahsine | | 919 Valley Ridge Dr., Apt. 111 | | | Birmingham | AL | 35209 | |
| MOMAN FORREST | | C O JEFFERSON COUNTY | | | BIRMINGHAM | AL | 35203 | |
| Monarch Capital Master Partners II LP | Attention Michael Gillin | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | | New York | NY | 10022 | |
| Monarch Research Alpha Master Fund Ltd | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | | | New York | NY | 10022 | |
| Mondonna Movahed | | 6025 Terr. Hills Dr. | | | Hoover | AL | 35242 | |
| Monica D. Rice | | 400 Oak Ridge Dr. | | | Pleasant Grove | AL | 35127 | |
| Monica Dionette Jackson | | 1610 51st St. | | | Birmingham | AL | 35208 | |
| Monica Jackson | | 413 Newberry Dr. | | | Pleasant Grove | AL | 35127 | |
| Monica Seles | | 2895 Dick Wilson Drive | | | Sarasota | FL | 34240 | |
| Monica Seles Revocable Trust dtd 7/26/95, Monica Seles, Trustee | c/o MAI Wealth Advisors LLC | 1360 E 9th St., #1100 | | | Cleveland | OH | 44114 | |
| Monica Seles Revocable Trust dtd 7/26/95, Monica Seles, Trustee | Monica Seles | 2895 Dick Wilson Drive | | | Sarasota | FL | 34240 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|--|------------------------------|--------------------------------|-------------------|-------|------------|---------|
| Monica Strickland | | 245 Ketona Rd. | | | Birmingham | AL | 35217 | |
| Monifa Shini White | | 1234 Chapel Creek Ct. | | | Fultondale | AL | 35068 | |
| Monique Campbell | | 120 2nd Ct. N | | | Birmingham | AL | 35204 | |
| Monique Coretta Robinson | | 2310 Raintree Ct Apt G | | | Birmingham | AL | 35215-3629 | |
| Monique Jones | | 113 Macon Ct. | | | Calera | AL | 35203 | |
| Montage Enterprises | | P.O. Box 631 | | | Blairstown | NJ | 07825 | |
| Monticello Partners, LLC | Attention Steven Vincent, Esq. | 399 Park Avenue, 16th Floor | | | New York | NY | 10022 | |
| Moody's Investors Service | | 99 Church St. | | | New York | NY | 10017 | |
| MOORE DEMETRIUS J | | 3904 MARS AVE | | | BIRMINGHAM | AL | 35215-1124 | |
| Morgan B. Seeley and Anne N. Seeley | Morgan and Anne Seeley | 3560 Campbell St NE | | | Bainbridge Island | WA | 98110 | |
| Morgan Guaranty Trust Co. of NY | | 60 Wall St. | | | New York | NY | 10260 | |
| Morgan Keegan & Company Inc | | 321 N Seminary St | | | Florence | AL | 35630 | |
| MORGAN RUN DEVELOPMENT CO INC | | 128 HIGH CREST RD | | | PELHAM | AL | 35124 | |
| Morgan Stanley Smith Barney | FC to Acct 535-019569-122 | 7515 Halcyon Summit Dr Suite 300 | | | Montgomery | AL | 36117 | |
| Morgan Stanley Smith Barney | FC to Acct 535-019571-122 | 7515 Halcyon Summit Dr Suite 300 | | | Montgomery | AL | 36117 | |
| Morgan Stanley Smith Barney | FCTO 535-019569-122 | 7515 Halcyon Summit Dr Suite 300 | | | Montgomery | AL | 36117 | |
| Morgan Stanley Smith Barney | FCTO 535-019578-122 | 7515 Halcyon Summit Dr Suite 300 | | | Montgomery | AL | 36117 | |
| Morris & Dickson Co LLC | | 410 Kay Ln | | | Shreveport | LA | 71115 | |
| Morris & Dickson Co LLC | | P.O. Box 51367 | | | Shreveport | LA | 71135-1367 | |
| Morrison Ricky | Timothy L. Arnold | Attorney at Law, Inc. | 1823 3rd Avenue N | | Bessemer | AL | 35020 | |
| Moses Electrical Service | | 737 10th St. SE | | | Graysville | AL | 35073 | |
| Mosley Maralyn | c o William J Baxley EsqBaxley Dillard Cauphin McKnight and Barclift | 2008 3rd Ave S | | | Birmingham | AL | 35233 | |
| Motorola Inc. | | P.O. Box 404059 | | | Atlanta | GA | 30384-4059 | |
| Mount Moriah Baptist Church | | 316 Avenue U | | | Birmingham | AL | 35214 | |
| Mountain Brook City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Mountain Brook Fire Dept | | 8 Office Park Cir No 200 | | | Mountain Brk | AL | 35223-2597 | |
| Mountain Family LP | | 221 Tamana | | | Village of Tiki | TX | 77554 | |
| MPI Software Technology, Inc. | | Attn Jennifer H. Skjellum | 101 S Lafayette St., Ste. 33 | | Starkville | MS | 39759 | |
| Msc/Martin Industrial Supply | | P.O. Box 1000, Dept. #481 | | | Memphis | TN | 38148-0481 | |
| Mulga Water Works Board | | P.O. Box 40 | | | Mulga | AL | 35118 | |
| Municipal Advisory Council of Michigan | | 1445 First National Bldg. | | | Detroit | MI | 48226-3517 | |
| Municipal Advisory Council of Texas | | 600 W. 8th St. | P.O. Box 2177 | | Austin | TX | 78701 | |
| MYERS ROBERT | | 132 PATRICIA ST | | | HUEYTOWN | AL | 35023 | |
| Myra Jequetta Sankey | | 761 Main Street | | | Gardendale | AL | 35071 | |
| Myrl S. Gelb Trustee Myrl S Gelb Living Trust U/A 5/21/04 | Myrl S. Gelb | 2831 Saint Barts Square | | | Vero Beach | FL | 32967 | |
| Myrtle Jackson | | 1324 Meadow Ln. | | | Birmingham | AL | 35228 | |
| Myrtle R. Huffman | | 1301 Creel St. | | | Midfield | AL | 35228 | |
| Nafeco Inc. | | 1515 W. Moulton St. | | | Decatur | AL | 35601 | |
| Nakia Lenora Colvin | | 2525 6th Ave. N | | | Birmingham | AL | 35203 | |
| Nan Goodman Skier | | 3912 Seven Bark Circle | | | Birmingham | AL | 35243 | |
| Nancy C. Tapley | | P.O. Box 3343 | | | Hueytown | AL | 35023 | |
| Nancy Carolyn Eaton | | PO Box 2522 | | | Durango | CO | 81302 | |
| Nancy E. Glover | | 209 Fairy Ave | | | Hueytown | AL | 35023 | |
| Nancy J. Clark | | 2002 Eden Valley Ln. | | | Hueytown. | AL | 35023 | |
| Nancy Jo Fancher | | 367 Dogwood Dr. | | | Odenville | AL | 35120 | |
| Nancy K. Moore | | 1016 Chasemore Ct | | | Mansfield | TX | 76063 | |
| Nancy McClendon McClanahan | | 1924 N. Beechwood Dr. | | | Florence | AL | 35630 | |
| Naomi Dixon | | 1601 Graymont Ave. W | | | Birmingham | AL | 35208 | |
| Naomi Raye Rabago | | 22055 Hwy 25 Apt F 3 | | | Columbiana | AL | 35051 | |
| NAPH | | P.O. Box 404058 | | | Atlanta | GA | 30384-4058 | |
| Napoleon Gamble | | 287 Forest Rd | | | Hueytown | AL | 35023 | |
| Naresh Kumar | | 402 Pinnacle Dr | | | Tuscaloosa | AL | 35406 | |
| Nashota Latieia Newman | | P O Box 1602 | | | Birmingham | AL | 35201 | |
| Natasha Latesa Craig | | 734 15th Court NW Apt 106 | | | Birmingham | AL | 35215 | |
| Natasha Maria Jennings | | 8720 Hwy. 75 | | | Pinson | AL | 35126 | |
| Nathaniel Barnes | | 8508 Cedar Bark Cir. | | | Birmingham | AL | 35206 | |
| Nathaniel Moore, Jr. | | 4736 12th Ave. N | | | Birmingham | AL | 35212 | |
| National Center For State Courts | | 300 Newport Avenue | | | Williamsburg | VA | 23185-4147 | |
| National Computer Print Inc | | P.O. Box 11407 | | | Birmingham | AL | 35246-0303 | |
| National Financial Services | | 100 Crosby Parkway Mailzone KCIA | | | Covington | KY | 41015 | |
| National Public Finance Guarantee | c/o Adam Bergonzi | Chief Risk Officer | 113 King St. | | Armonk | NY | 10504 | |
| National Public Finance Guarantee Corp | Attn Daniel McManus General Counsel | fka MBIA Insurance Corp as insurer of General Obli | 113 King St | | Armonk | NY | 10504 | |
| National Public Finance Guarantee Corp f k a MBIA Insurance Company | insurer of the General Obligation Capital Improvement and Refunding Warrants Series 2003 A | | 113 King St | Daniel McManus General Counsel | Armonk | NY | 10504 | |
| National Public Finance Guarantee Corp fka MBIA Insurance Corp | insurer of the General Obligation Capital Improvement Warrants Series 2004 A | | 113 King St | Daniel McManus General Counsel | Armonk | NY | 10504 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|--|---------------------------------------|----------|----------------|-------|------------|---------|
| National Public Finance Guarantee Corporation | Jones Day | Attn Amy Edgy Ferber, Esq. | 1420 Peachtree Street, N.E. Suite 800 | | Atlanta | GA | 30309-3053 | |
| National Public Finance Guarantee Corporation | Jones Day | Attn Mark A. Cody, Esq. | 77 West Wacker | | Chicago | IL | 60601-1692 | |
| National Safety Council | | 3241 PAYSphere Cir. | | | Chicago | IL | 60674 | |
| Ned Whitehead II | | 1300 Beacon Pkwy East Rs #707 | | | Birmingham | AL | 35209 | |
| Nedra Keel Trust dtd 08/04/1992 | | 8911 S. 337th East Ave | | | Coweta | OK | 74429-3743 | |
| NEELY CHRISTOPHER | | 500 LYNN CIR | | | MT OLIVE | AL | 35115 | |
| Neil S. Schneider | | 220 N Compass Drive | | | Ft Lauderdale | FL | 33308 | |
| Neil Scott Sanders | | 1233 Honeycutt Rd | | | Remlap | AL | 35133 | |
| Neil Victor | | 1351 SW 125 Ave Apt 302 | | | Pembroke Pines | FL | 33027 | |
| Nelda S. Allison Decd | | 5067 Stonearbor Dr | | | Pinson | AL | 35126 | |
| Nelson Dehaven Byess | | 7031 Mann Dr | | | Trussville | AL | 35173 | |
| Neopost | | 25880 Network Pl | | | Chicago | IL | 60673-1258 | |
| Nerina Materazzo and Phil Porter JT Ten | | 206 Huntington Ct | | | La Grange Park | IL | 60526-1110 | |
| New Centennial Realty LLC | | Green Valley Rd | | | Cahaba Heights | AL | 35243 | |
| New Covenant Christian Center | | 4121 7th Avenue | | | Birmingham | AL | 35224 | |
| New Hope Baptist Church | | 1740 Cleburn Ave. SW | | | Birmingham | AL | 35211 | |
| New Horizons Computer Ctr. | | 601 Beacon Pkwy. W | | | Birmingham | AL | 35209 | |
| New Tech Computer Systems | | P.O. Box 51367 | | | Shreveport | LA | 71135 | |
| Newks | | 611 Richard Arrington Jr. Blvd. S | | | Birmingham | AL | 35203 | |
| Nextel Communications | | P.O. Box 4181 | | | Carol Stream | IL | 60197-4181 | |
| Nextran Truck Center | | 3101 Airport Hwy | | | Birmingham | AL | 35203 | |
| Nichalaus Alexander Sims | | 2063 Ross Park Way | | | Hoover | AL | 35226 | |
| Nicholas Pullom | | 660 Valley Crest Dr., Apt. B32 | | | Birmingham | AL | 35215 | |
| Nicole G. Smith | | 313 South 8th St. | | | Gadsden | AL | 35903 | |
| Nicole M. Rollins | | 917 Cherry Ave., Apt. 203 | | | Birmingham | AL | 35214 | |
| Nieka Renae Witherspoon | | 616 73rd St S | | | Birmingham | AL | 35206-5214 | |
| Nikeshia B. Blue | | 5290 Baggett Dr. | | | Pinson | AL | 35216 | |
| Nikkol Jamieece Anderson | | 7236 Belgium Ave. | | | Birmingham | AL | 35224 | |
| Niko Vasilakis | | 2162 Great Rock Rd. | | | Vestavia | AL | 35216 | |
| Nina L. Crawford | | 1037 Alicia Dr. | | | Birmingham | AL | 35215 | |
| Nina S. Bailey | | 4424 Briar Glen Dr. | | | Birmingham | AL | 35243-1743 | |
| Nix Rita | Spellen Brian | Ifediba Law Group LLC | 1220 16th St S | | Birmingham | AL | 35203 | |
| Nneka K. Horton | | 1484 Hueytown Rd. | | | Hueytown | AL | 35023 | |
| Nomberg David P | | 3555 Westbury Rd | | | Mountain Brk | AL | 35223-1477 | |
| Nona Carson (Decd) | | 1104 Terry Ln | | | Birmingham | AL | 35235-1437 | |
| Nonrea, Ltd. | Peter M. Wolverton, Vice President | Nonrea Associates, LLC., General Partner | 601 N.W. Loop 410, Suite 104 | | San Antonio | TX | 78216 | |
| Norflex, Inc. | Attn Tom Norwood | 3100 Lorna Rd., Ste. 310 | | | Birmingham | AL | 35216 | |
| Norma B. Wooley Trust | Norma B. Wooley Trustee | 1215 Lakeshore Dr. | | | Anniston | AL | 36207 | |
| Norman L. & Martha S. McElroy Liv. Tr. U/A 8/18/99 | Norman L. & Martha S. McElroy TTEE | FBO Norman L/Martha S McElroy | 3850 Galleria Drive Apt 319 | | Birmingham | AL | 35244 | |
| Norrine Smith | | 411 Wren Ave. | | | Hueytown | AL | 35023 | |
| Norstar Industries Inc. | | 934 E. Main St. | | | Headland | AL | 36345 | |
| North Smithfield Manor Greenleaf | | 4821 Yonder Hill Dr. | | | Birmingham | AL | 35207 | |
| Northstar EMS Inc | | P.O. Box 2788 | | | Tuscaloosa | AL | 35403-2788 | |
| Nova Gaming LLC | c o Vincent J Schilleci III Esq/Baker Donelson | 420 20th St N Ste 1600 | | | Birmingham | AL | 35203-5202 | |
| Nova Gaming, LLC | Bearman Caldwell and Berkowitz | Baker Donelson | 420 20th St. N, Ste. 1600 | | Birmingham | AL | 35203-5202 | |
| Nova-Tec | c/o Vincent J. Schilleci, III, Esq. | 1607 Pinson St. | | | Tarrant | AL | 35217 | |
| Nuance Communications Inc. | | P.O. Box 2561 | | | Carol Stream | IL | 60132-2561 | |
| NUNNELLEY PENNY A | | 8256 FARLEY AVE | | | LEEDS | AL | 35094-4105 | |
| Nursing Assistant Solutions | | 609 Bessemer Super Hwy. | | | Midfield | AL | 35228 | |
| Nzinga Rasberry | | 3138 W Carmen Ave Apt 2B | | | Chicago | IL | 60625-6810 | |
| Oak Grove Masonic Lodge | | 540 Hyche Terrace | | | Bessemer | AL | 35023 | |
| Oak Grove Masonic Lodge | | 8621 Camp Oliver Rd. | | | Adger | AL | 35006 | |
| Oakford MF Limited | Attention Michael Gillin | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | | New York | NY | 10022 | |
| Obediah Scruggs | | 500 Lamplighter Lane | | | Birmingham | AL | 35214 | |
| OC & PJ Chapman Living Trust | Odis Chapman | 1369 CR 490 West | | | Mt Enterprise | TX | 75681 | |
| Oceanquip LLC | | 9904 Martha Ln. | | | River Ridge | LA | 70123 | |
| Odom Annie | | c o Sidney Summey | PO Box 248 | | Birmingham | AL | 35201 | |
| Odor Zone LLC | | P.O. Box 11779 | | | Memphis | TN | 28111 | |
| Office of the Bankruptcy Administrator | c/o J. Thomas Corbett, Esq., U.S. Bk. Ct | Robert S. Vance Federal Building | 1800 5th Ave. N | | Birmingham | AL | 35203 | |
| Ogden Laura | Laura Ogden | 3298 Allison Bonnett Memorial Dr | | | Hueytown | AL | 35023 | |
| Ogihara American Corporation | | 1595 Sterilite Park Dr. W | | | Birmingham | AL | 35215 | |
| Ohio Municipal Advisory Council | | 9321 Ravenna, Unit K | | | Twinsburg | OH | 44087-2445 | |
| OLIVER EUYLANDER | | 507 25TH ST N | | | BIRMINGHAM | AL | 35203 | |
| OLIVER JIMMY | | 1300 AVE S | | | ENSLEY | AL | 35218 | |
| Olivia G. Pinder TR Olivia G. Pinder TTEE | Olivia G. Pinder | 14150 Old Cutler Road | | | Miami | FL | 33158 | |
| Olivia G. Pinder Trust | | 14150 Old Cutler Road | | | Miami | FL | 33158 | |
| Ollie M. Williamson | | 3309 Exeter Ave. | | | Bessemer | AL | 35020 | |
| Olympia Sprinkler | | 184 Field Stone Road | | | Oneonta | AL | 35121 | |
| Onalee R. Gelders | | 1226 Nettles Blvd. | | | Jensen Beach | FL | 34957-3396 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--------------------------------------|---|--|--------------------------------------|------------------------------------|----------------|-------|------------|---------|
| One Stop Environmental | | 4800 Division Ave. | | | Birmingham | AL | 35222 | |
| Opal A Sedlacek | | 1419 Glendale Rd. | | | Anniston | AL | 36207 | |
| Oris Automotive Parts AL Ltd | Max A MoseleyJohnston Barton Proctor and Rose | 2900 AmSouth Harbert Plz | 1901 6th Ave N | | Birmingham | AL | 35203 | |
| Oris Automotive Parts AL, Ltd. | c/o Max A. Moseley | Johnston Barton Proctor & Rose | 596 Brookwood Village, Ste. 901 | | Birmingham | AL | 35209 | |
| Orlando T. Porter | | 1208 Fulton Ave. | | | Tarrant | AL | 35217 | |
| Ornell Marcus | | P.O. Box 149 | | | Fairfield | AL | 35064 | |
| Orrick, Herrington & Sutcliffe LLP | Thomas C. Mitchell | 405 Howard Street | | | San Francisco | CA | 94105-2669 | |
| Orville Eric Ifill | | 224 10th Ct. W | | | Birmingham | AL | 35204 | |
| Osama N. Aziz | | 49 Main St #C9 | | | Caribou | ME | 04736 | |
| Oscar Leslie | | 718 Highland Avenue | | | Warrior | AL | 35180 | |
| Otis Lee Brown | | 7728 Clayton Cove Pkwy. | | | Pinson | AL | 35126 | |
| Oxmoor Center, LLC | Attn S. Spainhour, SVP & Dep. GC | One Wachovia Ctr. | 301 South College St. | | Charlotte | NC | 28288-0630 | |
| P Allen Goodwine | | 2276 Pine Crest Dr | | | Birmingham | AL | 35216 | |
| P. Jack Davis | | 1561 Tanglebrook Dr | | | Athens | GA | 30606-5791 | |
| Paden Realty & Appraisals Inc. | | 1809 2nd Ave. N | | | Bessemer | AL | 35020 | |
| PAG Family Partners LTD Phillip Gray | Phillip Gray | 4 Lynn Rd | | | Cherry Hills | CO | 80113-4902 | |
| Pajola D. Singer | | 972 Chichester Dr. | | | Birmingham | AL | 35214 | |
| Pamela H. Carter | | 290 Sheffield Ct. | | | Hoover | AL | 35226 | |
| Pamela Hinton Taylor | | 507 4th Plaza | | | Pleasant Grove | AL | 35127 | |
| Pamela Mapp | | Community Development - Workforce | Jefferson Co. Courthouse, Ste. A-430 | 716 Richard Arrington Jr. Blvd. N. | Birmingham | AL | 35203 | |
| Pamela Smith Perry | | 1764 Treadwell Rd | | | Birmingham | AL | 35217 | |
| Paralee R. Britt | | 768 Belwood Cir. | | | Fairfield | AL | 35064 | |
| PARKER LATONYA | | 4738 RENWOOD DR | | | PINSON | AL | 35126 | |
| Partners Elevator Service | | P.O. Box 55235 | | | Birmingham | AL | 35255 | |
| PATEL BIJAL | | 1627 LAKESHORE CT UNIT B | | | HOMEWOOD | AL | 35209 | |
| Patience W. Davis | | 4825 Leola Lane | | | Birmingham | AL | 35207 | |
| Patrice Tarrant | | 140 1/2 22nd Street N | | | Birmingham | AL | 35209 | |
| Patricia A Motherway | | 1958 Summit Park Dr. Ste 400 | | | Orlando | FL | 32810 | |
| Patricia A. Leek | | 1570 Fairlakes Court | | | Rockwall | TX | 75087-2882 | |
| Patricia A. Mills | | 810B Tyler Cir. | | | Hoover | AL | 35226 | |
| Patricia A. Motherway | | 2010 Cannonade | | | Pasadena | TX | 77503 | |
| Patricia A. Motherway | Patricia A Motherway | 1958 Summit Park Dr. Ste 400 | | | Orlando | FL | 32810 | |
| Patricia A. Nabors | | 4631 Elizabeth Johnson Rd Lot 55 | | | Birmingham | AL | 35215 | |
| Patricia A. Spillane | | 8608 Waterfront Court | | | Ft Worth | TX | 76179 | |
| Patricia Ann G. Campbell | | 1624 4th Place NW | | | Birmingham | AL | 35215 | |
| Patricia Ann Howard | | 831 2nd Ave | | | Pleasant Grove | AL | 35127 | |
| Patricia Cook | | 1977 Huntington Ln. | | | Birmingham | AL | 35214 | |
| Patricia Etta Blankenship | | 7023 Warrior River Rd | | | Bessemer | AL | 35023 | |
| Patricia Hicks | | 168 Highwood Dr. | | | Hueytown | AL | 35023 | |
| Patricia Johnson | | 1515 6th Ave. S | | | Birmingham | AL | 35233 | |
| Patricia L. Jerome | | 1101 Johnson Street | | | Gadsden | AL | 35901 | |
| Patricia Pettiford | | 100 Robert Jemison Rd. | Apt 202A | | Birmingham | AL | 35209 | |
| Patricia R. Stephens | | 719 Chapel Creek Ln | | | Fultondale | AL | 35068-6044 | |
| Patricia Rogers | | 826 Cochise Tr. | | | Forestdale | AL | 35214 | |
| Patricia Working | c/o Albert L. Jordan, Esq. | Wallace, Jordan, Ratliff & Brandt, LLC | P.O. Box 530910 | | Birmingham | AL | 35253 | |
| Patrick Macaire Miller | | 5546 Spanish Trce. | | | Pinson | AL | 35126 | |
| Patsy Duncan Bell | | 724 Cahaba River Parc | | | Birmingham | AL | 35243 | |
| Patsy Jane Thompson | | 1024 Jeffery Dr. | | | Birmingham | AL | 35235 | |
| Patterson Medical Supply Inc. | | P.O. Box 93040 | | | Chicago | IL | 60673 | |
| Patty M. Hoyt | | 176 Cove Ln. | | | Birmingham | AL | 35124 | |
| Paul A. Allen | | 1600 Handley Ln. | | | Hueytown | AL | 35023 | |
| Paul A. Price Jr | | 5401 Magnolia Cir. | | | Orange Beach | AL | 36561-3969 | |
| Paul F. Niebur | | 2436 Baxter Rd | | | Chesterfield | MO | 63017-7804 | |
| Paul G. and Martha L. Fritts | | 3 Aster Court | | | Edwardsville | IL | 62025 | |
| Paul G. Dupree | | 3859 Guyton Rd. | | | Birmingham | AL | 35244 | |
| Paul J. Forman | | 6715 Alden Dr. | | | W. Bloomfield | MI | 48324 | |
| Paul J. Harph | | 1, Johnston Road | | | Ransom Canyon | TX | 79366 | |
| Paul J. Vines | | 6322 Woodberry Lane | | | Bessemer | AL | 35022 | |
| Paul Johnson | c/o David L. Graves | Alexander Shunnarah Injury Attorneys, PC | 3626 Clairmont Ave. | | Birmingham | AL | 35222 | |
| Paul M Madden | | 100 S Birch Rd #1603 | | | Ft Lauderdale | FL | 33316 | |
| Paul M. Carter | | 3129 Loretta St. | | | Birmingham | AL | 35214 | |
| Paul N. Allen | | 4716 Railroad Ave. | | | Adamsville | AL | 35005 | |
| Paul Pritchett | | 1325 42nd Street Ensley | | | Birmingham | AL | 35208-1905 | |
| Paul R. Jones & Susan G. Jones | | P.O. Box 68 | | | Grove Hill | AL | 36451 | |
| Paul Raymond Huffstutler | | 6401 Black Creek Loop So. | | | Hoover | AL | 35244 | |
| Paul S. Dennis TTEE | Paul S. Dennis, Trust UA 8/9/93 | 16330 Vintage Oaks Ln | | | Delray Beach | FL | 33484 | |
| Paul T. Hurst | | 295 Brooks Rd | | | Ragland | AL | 35131 | |
| Paul T. Weiss & Martha Weiss JTWROS | | 24492 Polaris Dr | | | Dana Point | CA | 92629 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|--|----------------------------------|----------|-----------------|-------|------------|---------|
| Paul William McCay | | 217 4th Ct. | | | Pleasant Grove | AL | 35127 | |
| Paulette Hamilton | | 4716 Terr. S | | | Birmingham | AL | 35208 | |
| Paulette V. Brown | | 841 Springville Dr. | | | Birmingham | AL | 35215 | |
| Pauline Ozley | Bains and Terry | Jon B. Terry | 1813 Third Avenue North | | Bessemer | AL | 35020 | |
| Pavitra Kavya | | 3400 Caruth Blvd | | | Dallas | TX | 75225-4823 | |
| PAYTON CLINTON | | 3416 OAK AVE SW | | | BIRMINGHAM | AL | 35221 | |
| Payton J. Ely | | 7012 N. Highfield Dr. | | | Birmingham | AL | 35242 | |
| PC Mall Gov | | 7421 Gateway Court | | | Manassas | VA | 20109 | |
| Pearline C. Jones | | 5224 Ave Q | | | Birmingham | AL | 35208 | |
| Pearson Meather | | 5293 Dresden Rd | | | Irondale | AL | 35210 | |
| Peggy Lorene Swann Sweet | | 70 Powers Blvd | | | Hayden | AL | 35079 | |
| Peggy Turney | | 1515 Toney Dr | | | Huntsville | AL | 35802 | |
| Peggy Turney Sep Property | | 1515 Toney Dr | | | Huntsville | AL | 35802 | |
| Penelope E. Bettas | | 2501 Banner Road | | | Pullman | WA | 99163 | |
| PENN DWYANNA | | 93 BEL AIR CIR | | | PLEASANT GROVE | AL | 35127 | |
| PENNINGTON CHERYL | | 3615 HAROLD DR | | | BIRMINGHAM | AL | 35215 | |
| Pennington Cheryl | Stevan K Goozee | 1023 Edenton St | | | Birmingham | AL | 35242-9259 | |
| Perceptive Software | | P.O. Box 846261 | | | Dallas | TX | 75284-6261 | |
| Peregrine Corp | | P.O. Box 14190 | | | Monroe | LA | 71207 | |
| Permal Stone Lion Fund Ltd. | Attn Claudia Borg | c/o Stone Lion Capital Partners, L.P. | 461 Fifth Avenue, 14th Fl. | | New York | NY | 10017 | |
| Permal Stone Lion Fund Ltd. | Attn Claudia Borg | Stone Lion Capital Partners L.P. | 461 Fifth Avenue, 18th Floor | | New York | NY | 10017 | |
| Permal Stone Lion Fund Ltd. | Stone Lion Capital Partners L.P. | Attention Claudia Borg | 461 Fifth Avenue, 18th Floor | | New York | NY | 10017 | |
| Perot Systems Healthcare | | 120 Royall Street | | | Canton | MA | 02021 | |
| Perrin B. Drew | | 2321 Venetia Rd | | | Mobile | AL | 36605 | |
| Perry Brandon | | 409 Elm St | | | Bessemer | AL | 35022 | |
| PERRY PAMELA | | 6075 FLAT TOP RD | | | DORA | AL | 35062 | |
| Perry Shuttlesworth | | 19 Richard Arrington, Jr. Blvd., North | | | Birmingham | AL | 35203 | |
| Peter J & Candace R Zak Tr Liv Trust U/A DTD 8/31/01 | Peter J Zak Candace Zak | Trustees | 2198 Blackburn Hills Ave | | Henderson | NV | 89044 | |
| Peter J & Candace R Zak Tr Liv Trust U/A DTD 8/31/01 | Scotttrade | 120 S Green Valley Pkwy Ste 114 | | | Henderson | NV | 89012-3136 | |
| Peter J Zak Candace Zak | Trustees | 2198 Blackburn Hills Ave | | | Henderson | NV | 89044 | |
| Peter J. March | | 608 Hans Brinker Ct | | | Peoture | IL | 60468 | |
| Peter S. Erhard | | 3850 Kenwood Dr | | | Beaumont | TX | 77706 | |
| Peter Scott Braden | | 316 Greenhill St. | | | Vine Grove | KY | 40175 | |
| Petersen Family Trust | H.D. Petersen | 623 Sonoma St | | | Carson City | NV | 89701 | |
| Petersen Family Trust | Herbert D. Petersen | 623 Sonoma St | | | Carson City | NV | 89701 | |
| Pettiford Patricia | | 100 Robert Jemison Rd | Apt 202A | | Birmingham | AL | 35209 | |
| Petway, Tucker and Barganier, L.L.C. | c/o Rodney F. Barganier | Attn Terry Towns | 2001 Park Pl. N, Ste. 510 | | Birmingham | AL | 35203 | |
| Phenix Supply Co. | | P.O. Box 1945 | | | Birmingham | AL | 35201 | |
| Philip J. Nero | | 1321 18th Ave S Apt 2 | | | Birmingham | AL | 35208 | |
| Philip M Richardson Jr | | Jefferson Country Courthouse | 716 Richard Arrington Jr Blvd N | | Birmingham | AL | 35203 | |
| Philip O. Hill | | 2501 25th Street Ensley | | | Birmingham | AL | 35218 | |
| Philips Medical Capital, LLC | | 1111 Old Eagle School Rd. | | | Wayne | PA | 19087 | |
| Phillip Dewayne Melton | | 5837 Dana Cir. | | | McCalla | AL | 35111 | |
| Phoenix Promotional Product | | P.O. Box 400 | | | Red Oak | IL | 51566 | |
| Phoenix Textile Corporation | | P.O. Box 1328 | | | Saint Peters | MO | 63376-0023 | |
| Phyllis A. Smith and Steven W. Smith JTWROS | | 1700 Weschase Circle | | | Huntsville | AL | 35801 | |
| Phyllis A. Smith C/F Timothy Andrew Smith UTMA/AL | | 1700 Weschase Circle | | | Huntsville | AL | 35801 | |
| Phyllis Edelman | | 8662 Falcon Green Dr | | | West Palm Beach | FL | 33412 | |
| Phyllis L. Tipper | | 1535 Hwy. 61 | | | Columbiana | AL | 35051 | |
| Phyllis Lufkin | | 16320 18th Dr SE | | | Mill Creek | WA | 98012 | |
| Pilcher Family Trust | John E. Pilcher | Post Office Box 1250 | | | Selma | AL | 36702 | |
| Pinnacle Towers | | 2 N. Jackson St., Ste. 605 | | | Montgomery | AL | 36104 | |
| Pinnacle Towers Inc | | P.O. Box 409250 | | | Atlanta | GA | 30384-9250 | |
| Pinson | | Pinson | | | Pinson | AL | 35126 | |
| Pitney Bowes Inc | | P.O. Box 371896 | | | Pittsburgh | PA | 15250-7896 | |
| Plastipak Packaging, Inc. | Attn Thomas M. Mellnick, Jr. | 41605 Ann Arbor Rd. | P.O. Box 1500C | | Plymouth | MI | 48170 | |
| Plesie Mae Cook | | 1405 UW Clemon Dr. | | | Birmingham | AL | 35214 | |
| Plymouth Park Tax Services LLC | c o Frank C Galloway III EsqGalloway and Scott LLC | 2200 Woodcrest Pl Ste 310 | | | Birmingham | AL | 35209 | |
| Plymouth Park Tax Services, LLC | c/o Frank C. Galloway, III, Esq. | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | | Birmingham | AL | 35209 | |
| P-Monarch Recovery Ltd | Attention Michael Gillin | c/o Monarch Alternative Capital LP | 535 Madison Avenue, Floor 26 | | New York | NY | 10022 | |
| Porche Lavon Tolbert | | 2100 Francis Ave SW | | | Birmingham | AL | 35211 | |
| Port City Medical | | 8053 Airway Park Dr | | | Mobile | AL | 36608-9602 | |
| Precision Graphics, Inc. | | Attn Robert Grant | P.O. Box 218 | | Adamsville | AL | 35005 | |
| Precision Plumbing Inc | c o K Edward Sexton II EsqGentle Turner and Sexton | 501 Riverchase Pkwy E Ste 100 | | | Hoover | AL | 35244 | |
| Precision Plumbing, Inc. | c/o K. Edward Sexton, II, Esq. | Gentle, Turner & Sexton | 501 Riverchase Pkwy. E, Ste. 100 | | Hoover | AL | 35244 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|-------------------------------|--------------------------------|-----------|----------------|-------|------------|---------|
| Premiere Chevrolet | | 4990 Premiere Pkwy. | | | Bessemer | AL | 35020 | |
| PREMIRE DEVELOPMENT GROUP LLC | | 3807 HELENA RD | | | HELENA | AL | 35080 | |
| Presley Burton & Collier, LLC | Attn J. Hobson Presley, Jr. | 1901 6th Ave N Ste 1500 | | | Birmingham | AL | 35203-4642 | |
| Preston Reeves Wylie P. Reeves | Dr. Preston Reeves | 605 Rudeloff | | | Seguin | TX | 78155 | |
| PRICE LAQUANDA | | 235 WALDEN GLEN LN | | | EVANS | GA | 30809-3128 | |
| Priscilla Minenger | | 7951 S Langley Ave Apt 3E | | | Chicago | IL | 60619-3042 | |
| Probate Court of Jefferson County | | Bessemer Courthouse | 1801 3rd Ave. N #101 | | Bessemer | AL | 35020 | |
| Progressive Business | | 370 Technology Dr. | | | Malvern | PA | 19355 | |
| Pro-Lab Diagnostics, Inc. | | 21 Cypress Blvd., Ste. 1070 | | | Round Rock | TX | 78665 | |
| Promotional Creations Inc | | P.O. Box 660406 | | | Vestavia Hills | AL | 35266 | |
| PRUITT ERIC RAYMOND | Bite Bite & Marlow | Attn Richard H Bite | 2001 Park Place Tower | Suite 860 | Birmingham | AL | 35203 | |
| QPS Medicals | | 1785 West Oak Pkwy. | | | Marietta | GA | 30062 | |
| Queen Brown | | 715 Valley Rd. | | | Fairfield | AL | 35064 | |
| Queen Ester Steen | | 1216 Lynn Acres Dr. | | | Birmingham | AL | 35215 | |
| Queen Walker | | 8015 Lock 17 Rd | | | Bessemer | AL | 35023 | |
| Quickseries Publishing Inc | | 3325 Griffin Rd | | | Ft Lauderdale | FL | 33312 | |
| Quincy C. Davis | | 916 N. 48th Street | | | Birmingham | AL | 35208 | |
| Quinn Emanuel Urquhart & Sullivan LLP | Attn Eric M. Kay | 51 Madison Ave., 22nd Floor | | | New York | NY | 10010 | |
| Quleasha Vontrice Covington | | 1412 3rd Pl NW | | | Birmingham | AL | 35215 | |
| R & M Enterprises, LLC | | 2961 Morgan Road | | | Bessemer | AL | 35022 | |
| R. J. Wallace | | 2209 Lynchester Cr | | | Hoover | AL | 35216 | |
| R. Stanley Marks | | 6270 Thach Road | | | Montgomery | AL | 36117-5221 | |
| R.W. Beaver & Nancy Beaver, JT. TEN | | 7003 Mandarin Dr. | | | Boca Raton | FL | 33433 | |
| Rachel Ann Hall | | 9543 Golden Ln. | | | Bessemer | AL | 35023 | |
| Rachel Ann Williams | | 9543 Golden Lane | | | Bessemer | AL | 35023 | |
| Rachel B. Gill | | 4406 Hampton Heights Dr. | | | Birmingham | AL | 35209 | |
| Raigan Zempoalteca | | 5108 Terry Heights Rd. | | | Pinson | AL | 35126 | |
| Raine Joy | | 3438 Hurricane Rd | | | Hoover | AL | 35226 | |
| Rainin Instrument LLC | | Lockbox No. 13505 | | | Newark | NJ | 07188-0505 | |
| RAJ Gaming LLC | Jack J Hall JrHall Conerly and Bolvig PC | 1400 Financial Ctr | 505 N 20th St | | Birmingham | AL | 35203 | |
| RAJ Gaming, LLC | c/o Jeffery L. Dummier, Esq. | Jeffery L. Dummier, LLC | 1400 21st Way S | | Birmingham | AL | 35205 | |
| Raju Harshadbhai Patel | | 3006 English Oaks Cir. | | | Vestavia Hills | AL | 35226 | |
| Ralph and Lorraine Heavilin | | 331 N Deerfield Rd | | | Valparaiso | IN | 46383 | |
| Ralph B. Harper, Jr. | | 201 River Oak Tr. | | | Hayden | AL | 35079 | |
| Ralph B. Moore | | PO Box 2505 | | | Muscle Shoals | AL | 35662-2505 | |
| Ralph Bryant, Jr. | | 117 Sommersby Cir. | | | Mulga | AL | 35118 | |
| Ralph Crawford Jr Decd | | 3220 28th Ave. N | | | Birmingham | AL | 35207-5116 | |
| Ralph Howze | | 5224 Summer Pl. Pkwy. | | | Birmingham | AL | 35244 | |
| Ralph N. Woronoff TTEE | Ralph N Woronoff Rev Liv Trust UA 1/2/89 | 6679 Edinborough | | | W Bloomfield | MI | 48322 | |
| Ralph Reginal Howze | | 3460 N. Broken Bow Dr. | | | Birmingham | AL | 35242 | |
| Ramon Deaytch Rutledge | | 405 2nd Street S | | | Birmingham | AL | 35205 | |
| Randall J. Pate | | 52727 Hwy 25 | | | Vandiver | AL | 35176 | |
| Randall P. Kornegay | | 7195 Lou George Loop | | | Bessemer | AL | 35022 | |
| Randall Tinney | | 954 Roble Lane | | | Santa Barbara | CA | 93103 | |
| Randy J. Rodriguez | | 2216 2nd Ave., N | | | Irondale | AL | 35210 | |
| Randy S. Burke | | 5438 Greathouse Rd | | | Dora | AL | 35062 | |
| Raquel Lynch | | 120 2nd Ct. N | | | Birmingham | AL | 35204 | |
| Raquel Patrice Lynch | | 515 Huntley Dr. | | | Pelham | AL | 35124 | |
| Rashata Lee | | P.O. Box 1374 | | | Birmingham | AL | 35201 | |
| Rasia La Shae Sutton | | 1614 Riverchase Tr. | | | Hoover | AL | 35244 | |
| Ray H. Wood | | 9718 Corner School Rd. | | | Warrior | AL | 35180 | |
| Rayburn T. Hayes and Sharron H. Stone | | 2919 28th Avenue | | | Northport | AL | 35476 | |
| Raymond C. Winston | c/o Edgar C. Gentle III | Gentle, Turner & Sexton | 510 Riverchase Pkwy E, Ste 100 | | Hoover | AL | 35244-1834 | |
| Raymond Channel | | 5380 Memory Ln. | | | Mount Olive | AL | 35117 | |
| Raymond Forish & Robert Forish JT TEN WROS | Raymond F Forish | 4512 Strahle St | | | Philadelphia | PA | 19136 | |
| Raymond Forish & Robert Forish JT TEN WROS | Vanguard Voyager Select Svcs | PO Box 13750 | | | Philadelphia | PA | 19101 | |
| Raymond James and Morgan Keegan | Attn V. Barber | 2900 Highway 280 Ste 100 | | | Birmingham | AL | 35223 | |
| Raymond L. Fogg Sr. | | 4017 Keele Dr | | | Garland | TX | 75041-5141 | |
| Raymond P. Fitzpatrick | | Farley Building, Suite 600 | 1929 Third Avenue North | | Birmingham | AL | 35203 | |
| Raymond T. Scott, Trustee of the Raymond T. Scott Trust | | 5500 NE 82nd Ave., Apt 317 | | | Vancouver | WA | 98662 | |
| Raymond William Vaughn | | 2012 East Ligon Ave. | | | Tarrant | AL | 35217 | |
| RB&J Stambaugh JT Trust U/A 02-21-07 Robert B Stambaugh and Josephine Stambaugh Trustees | Robert B & Josephine Stambaugh | 2682 Lake View Blvd | | | Port Charlotte | FL | 33948 | |
| RDJ Specialties, Inc. | | 7535 Bartlett Corporate Drive | | | Bartlett | TN | 38133 | |
| Real Estate Research Corp | | 99 East Bremer Avenue | | | Waverly | IA | 50677 | |
| Rebecca Ann Avery | | 1424 Monroe Ave. SW #4 | | | Birmingham | AL | 35211 | |
| Rebecca Eileen Strole | | 1521 16th Ave. S, Apt. I | | | Birmingham | AL | 35205 | |
| Rebecca J. Connelly | | P O Box 533 | | | Graysville | AL | 35073 | |
| Rebecca L. Dosssett, PhD | | 2305 Arlington Ave. | | | Birmingham | AL | 35205 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|-----------------------------------|---|-----------------------|----------------|-------|------------|---------|
| Rebecca R. Greggs | | 366 Lakeshore Dr. | | | Shelby | AL | 35143 | |
| Rebecca R. Poe | | 128 Sunhill Ln. | | | Remlap | AL | 35133 | |
| Rebecca Vaughn | c/o Brett Tumbull | Farris, Riley & Pitt LLP | 2025 3rd Ave. N, Ste. 400 | | Birmingham | AL | 35203 | |
| Redline Partnership Ltd. | | 1901 6th Ave. N., Ste. 2810 | | | Birmingham | AL | 35203 | |
| Reeves Angela | | 5008 Oak Leaf Circle | | | Adamsville | AL | 35005 | |
| Reeves Chantel | c o Don L Hall EsqHall and Tucker LLC | 1616 Third Ave N | | | Bessemer | AL | 35020 | |
| REEVES DELORES | | 3708 FELIX AVE SW | | | BIRMINGHAM | AL | 35221 | |
| Reeves Greg | c o Don L Hall EsqHall and Tucker LLC | 1616 Third Ave N | | | Bessemer | AL | 35020 | |
| Reeves Greg and Chantel | Don L HallHall and Tucker LLC | 1616 3rd Ave N | | | Bessemer | AL | 35020-5709 | |
| Regina Doris Busby | | 2626 Novel Dr. | | | Hueytown | AL | 35023 | |
| Regina Gray Lucas | | 712 14th Ave. NW | | | Birmingham | AL | 35215 | |
| Regina Nash | Lee Law Firm | Brandy M. Lee | 2100 1st Ave. N., Ste. 600 | | Birmingham | AL | 35203 | |
| Reginald Perkins | | 712 8th Terr. W | | | Birmingham | AL | 35204 | |
| Regions Bank | c/o Casey G. Moore | Maynard, Cooper & Gale, PC | 1901 6th Ave. N., Ste 2400 | | Birmingham | AL | 35203 | |
| Regions Bank | c/o Jayna P Lamar | Maynard Cooper & Gale, P.C. | 1901 6th Ave. N., Ste 2400 | Regions Harbert Plaza | Birmingham | AL | 35203-2618 | |
| Regions Bank | Casey G MooreMaynard Cooper and Gale PC | 2400 Regions Harbert Plz | 1901 6th Ave N | | Birmingham | AL | 35203 | |
| Regions Bank | Jayna Partain Lamar Esq | c o Maynard Cooper and Gale PC | 1901 Sixth Ave N 2400 Regions Harbert Plz | | Birmingham | AL | 35203 | |
| Regions Bank | Kevin M. Dobrava | 1901 6th Avenue North, 28th Floor | | | Birmingham | AL | 35203 | |
| Regions Bank, as Trustee | Attn John T. Vian, Esq | Smith, Gambrell & Russell, LLP | 1230 Peachtree Street, N.E., Suite 3100 | | Atlanta | GA | 30309 | |
| Regions Bank, as Trustee | Regions Bank | Kevin M. Dobrava | 1901 6th Avenue North, 28th Floor | | Birmingham | AL | 35203 | |
| Regl Planning Commn of Greater Bham | Attn Charles Ball, Exec. Director | 1731 First Ave. N, Ste. 200 | | | Birmingham | AL | 35203 | |
| Reid Manly | | 2923 Balmoral Rd. | | | Mountain Brook | AL | 35223 | |
| Reinhart John Koepf III | | 1701 Kathy Lane | | | Fultondale | AL | 35068 | |
| Remel Inc | | 12150 Santa Fe Drive | | | Lenexa | KS | 66215 | |
| Rena McWilliams | | 5320 Washburn Dr. | | | Adamsville | AL | 35005 | |
| Renaldo W. McIntosh | | 1579 Hickory St. | | | Mulga | AL | 35118 | |
| Rennco Inc. | | P.O. Box 73840 | | | Cleveland | GA | 44193 | |
| Resource Connection, The | | 525 Sheridan Blvd. | | | Orlando | FL | 32804 | |
| REYNOLDS ARVA | | 1528 COOPER HILL RD | | | BIRMINGHAM | AL | 35210 | |
| Reynolds Inliner LLC | | 4520 N State Rd. 37 | | | Orleans | IN | 47452-0186 | |
| Rhodes - Wright Family Investments, LLC | | 1719 Saint Andrews Drive | | | Tuscaloosa | AL | 35406 | |
| Rhonda M. Barfield | | 1504 Glenwood Street NW | | | Birmingham | AL | 35215 | |
| Richard A. & Loretta C. Linstad | | 5328 Marian Dr. NE | | | Olympia | WA | 98516 | |
| Richard A. Cox | | 521 1st Ave SW | | | Carbon Hill | AL | 35549-5106 | |
| Richard B. Decker | | 1351 McCormicks Ci | | | Danville | IN | 46122 | |
| Richard C. Key | | 611 Oak Dr East | | | Trussville | AL | 35173 | |
| Richard C. Maloof | | 11502 S.E. Plandome Dr | | | Hobe Sound | FL | 33455 | |
| Richard Delaware Lanier, Jr. | | 1436 Highland Dr. | | | Birmingham | AL | 35235 | |
| Richard E. Ganey | | 655 Hunters Crossing Rd. | | | Odenville | AL | 35120 | |
| Richard Ernest Jones (Decd) | | 5803 Willow Crest Dr. | | | Pinson | AL | 35126 | |
| Richard G. Gant & Mary C. Gant JT Ten | | 1839 Alder Ave | | | Richland | WA | 99354 | |
| Richard Haluska | | 1172 52nd St S | | | Birmingham | AL | 35222 | |
| Richard J. Zales | | 226 Tiny Kingdom Rd. | | | Remlap | AL | 35133 | |
| Richard Jason Hammitt | | 359 Coldwater Rd. | | | Woodstock | AL | 35188 | |
| Richard L. Lovell | | 2905 S. Rhodes Cir., Apt. G | | | Birmingham | AL | 35205 | |
| Richard L. Ousley | | 2000 Largin Rd. | | | Birmingham | AL | 35235 | |
| Richard M. Little | | 65 Plantation Road | | | Wetumpka | AL | 36093 | |
| Richard R. Renshaw | | 2908 Wedgewood Cr | | | Hoover | AL | 35242 | |
| Richard Stack | | 23287 Blue Water Cir Apt A222 | | | Boca Raton | FL | 33433-7063 | |
| Richard T. Wilson | | 1520 Philpot Ave NE | | | Huntsville | AL | 35811 | |
| Richard Thomas | | P.O. Box 41814 | | | Phoenix | AZ | 85080 | |
| Richard W. McClearn | | 214 Treva Lane | | | Hazel Green | AL | 35750 | |
| Richard Wolf Medical Inst. | | 2573 Momentum Pl. | | | Chicago | IL | 60689 | |
| Rickey Bernard Garrett, Jr. | | 2014 13th Way | | | Bessemer | AL | 35020 | |
| Rickey Lindley | | 1829 Hickory Lane | | | Fultondale | AL | 35068 | |
| Rickey W. Childers | | 687 County Rd. 226 | | | Cullman | AL | 35057 | |
| Ricky E. Geeters (Decd) | | P.O. Box 150 | | | Fultondale | AL | 35068 | |
| Riley & Jackson PC | | 1744 Oxmoor Rd. | | | Birmingham | AL | 35209 | |
| Rita C. Williams Decd | | 1296 Grand Blvd | | | Birmingham | AL | 35214-4442 | |
| Rita Nix | c/o Brian L. Spellen, Esq. | 1220 16th St. S | | | Birmingham | AL | 35205 | |
| Ritron Inc. | | 505 West Carmel Dr. | | | Carmel | IL | 46032 | |
| Riverchase Lawn Equipment | | 3992 Lorna Rd. | | | Hoover | AL | 35244 | |
| Robbin Danyale Pickett | | 322 14th Ct. N | | | Birmingham | AL | 35204 | |
| Robby Bennett | | 3923 Clear Water Drive | | | Bessemer | AL | 35020 | |
| Robby G. Bennett | | 375 Waterford Cove Tr. | | | Calera | AL | 35040 | |
| Robert A Gdula | Robert A Gdula (Charles Schwab & Co Cust - IRA Account #3597-9799) | 1805 N Carson St #359 | | | Carson City | NV | 89701 | |
| Robert A. Hafer | | 1828 County Rd. 38 | | | Jemison | AL | 35085 | |
| Robert A. Schultz | Bob Schultz | P.O. Box #1082 | | | Battle Ground | WA | 98604-1082 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|---|---|------------------------------------|----------|-------------------|-------|------------|---------|
| Robert Alan Neidoff | | 39 Stowell Road | | | Bedford | NH | 03110-4714 | |
| Robert Branch Sr Living Trust | Robert Branch, Sr. Trustee | 2401 Pruett's Chapel Road | | | Paragould | AR | 72450 | |
| Robert Brandon Honnet | | 138 Scott Ln | | | Prattville | AL | 36066-5341 | |
| Robert C. Brady and Judy Anna Brady | | 616 Lakeview Rd. | | | Fort Walton Beach | FL | 32547 | |
| Robert C. Meeks, Jr. | | 4780 Century St. | | | Mulga | AL | 35118 | |
| Robert C. Spencer | Robert C Spencer TTEE | Robert C Spencer Living Trust U/A DTD 06/15/1998 | 43081 Buttonwood Dr | | Palm Desert | CA | 92260 | |
| Robert D. Hodges, Jr. | | 21312 Pleasant Grove Rd. | | | Vance | AL | 35490 | |
| Robert D. Jones | | 8920 Stouts Rd. | | | Kimberly | AL | 35091 | |
| Robert D. Shaw | | 124 Mayfair Park | | | Maylene | AL | 35114 | |
| Robert D. Solomon | | 6620 McDuffie Rd. | | | Pinson | AL | 35126 | |
| Robert E Yeilding | | 3765 White Rd | | | Dora | AL | 35062 | |
| Robert E. Dale Jr and Karen H. Dale | Robert Dale | 164 Mikemo Way | | | Pensacola | FL | 32504 | |
| Robert E. Gregory | | 1420 Winola Ln. | | | Birmingham | AL | 35235 | |
| Robert Earl Evans | | 513 20th Ct. NE | | | Birmingham | AL | 35216 | |
| Robert Earl Williams | | 1600 5th Ave West | | | Birmingham | AL | 35208 | |
| Robert Edwin Lunsford | | 1348 Haddon TRL | | | Hoover | AL | 35226-6311 | |
| Robert Edwin Philpott II | | 6419 Barrington Lane | | | Moody | AL | 35004 | |
| Robert F. Morgan | | 1817 Fulton Rd | | | Fultondale | AL | 35068-1605 | |
| Robert French Smith | | 202 Williams Dr | | | Bennettsville | SC | 29512 | |
| Robert G. Myers | | 132 Patricia St. | | | Hueytown | AL | 35023 | |
| Robert Harold Steber | | 600 University Park Place, Suite 250 | | | Birmingham | AL | 35209 | |
| Robert House | | 1436 Cahaba River Parc | | | Birmingham | AL | 35243 | |
| Robert J. and Rebecca L. Weaver | | 2057 Johnson Fork Road | | | West Harrison | IN | 47060 | |
| Robert J. Holtgraver Jr. | | 246 Seasons Dr. | | | Wexford | PA | 15090 | |
| Robert J. Milwood | | 6482 Cromer Cir | | | Leeds | AL | 35094-5001 | |
| Robert J. Tyler | | P.O. Box 265 | | | Trafford | AL | 35172 | |
| Robert Jampol & Christine Jampol | | 30 Chesapeake Dr | | | Holmdel | NJ | 07733 | |
| Robert Kyle Miller | | 7996 Happy Hollow Rd. | | | Trussville | AL | 35173 | |
| Robert L. Allen Jr | | 6245 Stewart Rd | | | Leeds | AL | 35094 | |
| Robert L. Keahey | | 2714 Chestnut Way | | | Pinson | AL | 35126 | |
| Robert L. Marshall | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Robert Lee Eadie, Jr. | | 4229 Butler Tanner Rd. | | | Dora | AL | 35062 | |
| Robert Lee Ollie | | 1416 Miami Cir | | | Birmingham | AL | 35214-3804 | |
| Robert Lee Robertson Jr | | 1917 Third Street NW | | | Birmingham | AL | 35215 | |
| Robert M. Varnell | | 1208 Brook Acres Tr. | | | Clemmons | NC | 27012 | |
| Robert Michael Beckman | | 3008 Whispering Pines Cr | | | Hoover | AL | 35226 | |
| Robert Michael Moss Long-Term Trust | Johnny C Fricke TTEE | U/T/A DTD 12/27/1995 FBO R M Moss | 2713 Countrywood Way | | Birmingham | AL | 35243-2447 | |
| Robert N. Lisle | | 172 Scenic Dr. | | | Gardendale | AL | 35071 | |
| Robert N. Williams | | 263 Wynlake Dr. | | | Alabaster | AL | 35007 | |
| Robert Robbins, Barbara Mustafa, and Kim Robbins Tenant Common | Robert Robbins | 310 E Somonauk St | | | Yorkville | IL | 60560 | |
| Robert S. Glass & Teresa A. Glass JTWROS | | 8008 Benjamin Road | | | Tampa | FL | 33634-2306 | |
| Robert S. Newbill | | 1021 Shades Glen Dr. | | | Birmingham | AL | 35226 | |
| Robert Shane Williams | | 4750 Pine Mtn. Rd. | | | Reamlap | AL | 35133 | |
| Robert W. Ingle | | 5690 Rockdale Rd. | | | Bessemer | AL | 35022 | |
| Robert Wayne Cooper | | 621 Valley Dr. | | | Birmingham | AL | 35206 | |
| Roberta Cooper | | 4514 Carlton Golf Dr | | | Wellington | FL | 33449-8126 | |
| Robin B. Buckelew | | 117 Bel Air Road | | | Huntsville | AL | 35802 | |
| Robin Henderson | Board Of Equalization | 610-A Courthouse | 716 Richard Arrington Jr. Blvd. N. | | Birmingham | AL | 35203 | |
| Robin J. Henderson | | 1360 Badham Dr. | | | Vestavia Hills | AL | 35216 | |
| Robin M. Park | | 6664 Ransom Rd. | | | Birmingham | AL | 35210 | |
| Robin Vanmeter Johnson | | 212 Garrison Rd | | | Gardendale | AL | 35071 | |
| Robinson-Adams Insurance Company | | 2200 Woodcrest Place | | | Birmingham | AL | 35209 | |
| Rock Angeline | | 612 16th Terr. NW | | | Birmingham | AL | 35215 | |
| Rocket Gaming Systems LLC | c o William D Lineberry EsqBalch and Bingham LLP | PO Box 306 | | | Birmingham | AL | 35201-0306 | |
| Rocket Gaming Systems, LLC | c/o William D. Lineberry, Esq. | Balch & Bingham, LLP | 1901 Sixth Ave. N, Ste. 1500 | | Birmingham | AL | 35203-4642 | |
| Rodell Rivers | | P O Box 115 | | | Adamsville | AL | 35005 | |
| Rodney F. Barganier | Petway, Tucker and Barganier, LLC | 2001 Park Place N, St. 510 | | | Birmingham | AL | 35203 | |
| Rodney K. Cunningham | | 7211 Lister Ferry Rd. | | | Rainbow City | AL | 35906 | |
| Rodney L. Handley (Decd) | | 1301 Patton Rd. | | | Bessemer | AL | 35020 | |
| Rodney Reese | | 120 2nd Ct. N | | | Birmingham | AL | 35204-4765 | |
| Rodney Scott Jent | | 414 Jent Rd. | | | Cordova | AL | 35550 | |
| Roger A. Brown | | 1196 Bristol Way | | | Birmingham | AL | 35242 | |
| Roger Bergstein | | 6628 SE Broadmoor Ln | | | Stuart | FL | 34997 | |
| Roger Cornelius | | 200 North Pine Hill Road | | | Birmingham | AL | 35217 | |
| Roger Holifield | | 1533 West Smithfield Ln. | | | Dolomite | AL | 35061 | |
| Roger I. Smith, Jr. | | 724 15th Street S.W. | | | Birmingham | AL | 35211 | |
| Roland H. Wall | | 6052 Pleasant Hill Rd. | | | Bessemer | AL | 35022 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|--------------------------|-------------------------------|----------|-----------------|-------|------------|---------|
| Roland Pugh Construction | | 1280 Powder Plant Rd. SW | | | Bessemer | AL | 35022 | |
| ROLLINS IVORY | | 832 HAGWOOD RD | | | BIRMINGHAM | AL | 35235 | |
| Ron Ford | | 1649 First Street NE | | | Centerpoint | AL | 35215 | |
| Ronald B. Webb | | 325 Shady Ln. | | | Odenville | AL | 35120 | |
| Ronald Brian Robb | | 1899 Donaldson Rd. | | | Morris | AL | 35116 | |
| Ronald Coleman | | 9836 Westfield Rd. | | | Birmingham | AL | 35217 | |
| Ronald D. Mahaffey | | 1321 Sloan Ave. | | | Tarrant | AL | 35217 | |
| Ronald D. Wolff & Felice N. Wolff Ten In Com | | 128 Long Bow | | | Shavano Park | TX | 78231 | |
| Ronald Desforges & Patricia B. Desforges | | 4420 Burke Drive | | | Metairie | LA | 70003 | |
| Ronald J. Friedsam & Carol J. Friedsam | | 5783 Vintage Oaks Circle | | | Delray Beach | FL | 33484 | |
| Ronald M. Cameron | | P.O. Box 21440 | | | Little Rock | AR | 72221 | |
| Ronald Schreiber & Leslie S. Schreiber JT TEN | | 10101 Squires Trail | | | Great Falls | VA | 22066 | |
| Ronald Tew | | 7556 Dickey Springs Rd | | | Bessemer | AL | 35022 | |
| Ronald Townsend | | 315 Sylvan Ave. | | | Bessemer | AL | 35020 | |
| Ronald W. Hudson | | 41 West Greenleaf Dr | | | Birmingham | AL | 35214 | |
| Ronald Witherspoon | | 5500 Ct. Q | | | Birmingham | AL | 35208 | |
| Ronald Yarbrough | | 4208 Woodbine Lane | | | Hoover | AL | 35226 | |
| Ronnie B. Haraway | | 1127 County Rd. 110 | | | Rogersville | AL | 35652 | |
| Ronnie B. Haraway | Morgan Keegan & Company Inc | 321 N Seminary St | | | Florence | AL | 35630 | |
| Ronny J. Kent | | 19528 Mitchell Dr | | | Vance | AL | 35490 | |
| Rosa L. Harris | | 412 Belcher Dr. | | | Midfield | AL | 35228 | |
| Rosalyn Parker | | 724 Sherwood Rd | | | Fairfield | AL | 35064-2729 | |
| Rosemore Investments, Ltd. | | 5516 Cavendish Ct. | | | Plano | TX | 75093 | |
| Rosina J. Shack | | 4625 West St. | | | Brighton | AL | 35020 | |
| Rotenstreich Family Partnership Ltd. | | 3311 Dunbrooks Drive | | | Birmingham | AL | 35243 | |
| Roush Family LLC | c/o Thomas C & Ann M. Roush | 2210 Callaburn Pl | | | Brentwood | TN | 37027 | |
| Rowan D. Wilson | Cravath, Swaine & Moore, LLP Worldwide Center | 825 Eighth Avenue | | | New York | NY | 10019-7475 | |
| Rowry, Valerie | c/o Monica Austin-Hatcher, Esq., Hatcher Law Office, LLC | 2202 2nd Avenue North | | | Birmingham | AL | 35203 | |
| Roxane C. Hodges (Decd) | | 609 Barton Court | | | Birmingham | AL | 35217 | |
| Roy J. Perry | | 1020 Westlake Blvd. | | | Bessemer | AL | 35020 | |
| Roy L. Moore | | 878 Skyview Tr. | | | Trafford | AL | 35172 | |
| Roy Walker | | 784 D. Walker Rd. | | | Jackson | TN | 38305 | |
| Royce Shannon Davis | | 1124 Barnisdale Rd. | | | Birmingham | AL | 35235 | |
| Rozzel D. Byner | | 1337 Pratt Hwy. | | | Birmingham | AL | 35214 | |
| Ruben Struggs | | 737 80th Pl. S | | | Birmingham | AL | 35206 | |
| Ruby Archie | | 1318 7th Ave. N | | | Bessemer | AL | 35020 | |
| Ruby Belcher | | 1333 23rd Ave. N | | | Birmingham | AL | 35204 | |
| Ruby C. Neeley | | 12000 Turmeyer Drive SE | Apt 1234-C | | Huntsville | AL | 35803-3358 | |
| Ruby L. Smith | | 1614 34th Ave | | | Birmingham | AL | 35207 | |
| Ruby Swann | | 3204 Teresa Dr. | | | Birmingham | AL | 35217 | |
| Ruddolph Dawson | | 772 15th Avenue Nw | | | Birmingham | AL | 35215 | |
| Rudolph Maxine | Frank S Buck PC Attorney at Law Attn McCullough Don | PO Box 55089 | 2160 14th Ave S | | Birmingham | AL | 35255-5089 | |
| RUFFIN A C | David & Associates, P.C. | Attorneys At Law | 2213 Morris Avenue, Suite 200 | | Birmingham | AL | 35203 | |
| RUFFIN A C | Davis & Associates, P.C. | Attorneys at Law | 2213 Morris Avenue, Suite 200 | | Birmingham | AL | 35203 | |
| Rummel Living Trust U/A 12/7/95 Steve R. Rummel Jean K. Rummel Trustees | | 15315 S.E. 82nd St. | | | Newcastle | WA | 98059 | |
| Running W. Ltd. | | 3 Riverway Suite 1600 | | | Houston | TX | 77056 | |
| Rural Metro Ambulance | | 5600 Shirley Park Dr. | | | Bessemer | AL | 35022 | |
| Russell Stoever Trust | | 30 Wall St | | | New York City | NY | 10005 | |
| Russo Corporation | | P.O. Box 190048 | | | Birmingham | AL | 35219 | |
| Ruth Elizabeth F. Flanagan | | 1153 Elm Ave | | | Birmingham | AL | 35215 | |
| Rx Advantage | | 7101 Hwy. 90, Ste. 300 | | | Daphne | AL | 36526 | |
| Ryan C. Fortenberry | | 28 Cherrybrook Ln. | | | Cleveland | AL | 35049 | |
| RYAN CHARLETTE | Law Offices of William D. Davis III | 2213 Morris Ave Ste 200 | | | Birmingham | AL | 35203 | |
| Ryan J. Strickland | | 4819 Kings Mill Road | | | Oakman | AL | 35579 | |
| Ryan M. Emery | | 46 Tammera Trail | | | Birmingham | AL | 35215 | |
| Ryan Morgan Moss | | 5211 Barracuda Street | | | Orange Beach | AL | 36561 | |
| Ryan Morgan Moss | | 646 Dorr Avenue | | | Gulf Shores | AL | 36542 | |
| Ryan Murkerson | | 113 Rock Valley Rd. | | | Helena | AL | 35080 | |
| Ryan Smith | | 5650 W 36th St Apt 318 | | | St Louis Park | MN | 55416 | |
| Ryley David Canter | | 4978 Deer Foot Cove | | | Pinson | AL | 35126 | |
| S & H Glass Co | | P.O. Box 512 | | | Clay | AL | 35048 | |
| S & W Construction LLC | | 10121 Mize Rd. | | | Remlap | AL | 35133 | |
| S Kam & J Kam TTEE Kam Revocable Trust | Steve Kam | 28001 Arastradero Road | | | Los Altos Hills | CA | 94022 | |
| SADGFIELD DEVELOPMENT LLC | | 690 BEASLEY RD | | | GARDENDALE | AL | 35071 | |
| SAFECO Insurance Company | Agency Markets Subrogation o b o Ruby Hall Attn Barton Melanie | PO Box 461 | ATTN Subrogation Cashier | | St Louis | MO | 63166-0461 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|------------------------------------|--|----------------------|----------------|-------|------------|---------|
| Salena Whalen-Stalker | | 1917 Canyon Rd | | | Vestavia Hills | AL | 35216 | |
| SALISBURY DEVELOPMENT | | 1541 COOPER HILL RD | | | BIRMINGHAM | AL | 35210 | |
| Sallie E. White | | 1028 Moltey Ave. | | | Birmingham | AL | 35211 | |
| Sally J. Brown Trust | Sally J. Brown Trustee | 5778 Crystal Shores Drive 202 | | | Boynton Beach | FL | 33437-5691 | |
| Sally R. Jacobs Trust | Carole J. Lipton | 5150 Three Village Drive | Suite 2-H | | Lyndhurst | OH | 44124-3750 | |
| Sally R. Jacobs Trust | Carole J. Lipton TTEE | 5150 Three Village Drive | Suite 2-H | | Lyndhurst | OH | 44124-3750 | |
| Sally V. Worthen 2010 Revocable Trust | The Trust Company of Sterne Agee | 800 Shades Creek Pkwy, Ste 125 | | | Birmingham | AL | 35209 | |
| Sam E. Jones III and Billie K. Jones | | 372 Turnberry Rd | | | Birmingham | AL | 35244 | |
| Samantha Fuller Henderson | | 521 Foxfire Dr. | | | Gardendale | AL | 35071 | |
| Samantha Pollock McCaskill | | 511 Oxmoor Road | | | Homewood | AL | 35209 | |
| Samford University | | 800 Lakeshore Dr. | | | Birmingham | AL | 35229-2276 | |
| Sammie J. Bryant | | 408 Kerri Dr | | | Birmingham | AL | 35215 | |
| Sammie J. Bryant | | 7728 Clayton Cove Pkwy. | | | Birmingham | AL | 35215 | |
| Samuel L. Cappano | | 4314 Orange Terrace Dr | | | Wimauma | FL | 33598 | |
| Samuel P. Windham | | 220 Timber Tr. | | | Warrior | AL | 35180 | |
| Samuel Shears | | P.O. Box 292 | | | Trafford | AL | 35172 | |
| Samuel W. Tibbs | | 7990 Barbara Dr. | | | McCalla | AL | 35111 | |
| Sandra Campbell | | 1112 53rd St. | | | Birmingham | AL | 35208 | |
| Sandra D. Maselli | | 6413 Amherst Ave. | | | Columbia | MD | 21046 | |
| Sandra Darlene Weeks Siegel | | 170 Panoramic Trail | | | Warrior | AL | 35180 | |
| Sandra E. McCall | | 1216 33Rd St SW Apt 1 | | | Birmingham | AL | 35221-1155 | |
| Sandra Fay Eiland | | 5000 Pine Dr. | | | Bessemer | AL | 35023 | |
| Sandra H. Aguilera | | 913 Pro Players Drive | | | Las Vegas | NV | 89134 | |
| Sandra J. McDuffy, trustee of The Smith Family Trust for Sandra Smith McDuffy | Sandra J. McDuffy, Trustee | 8622 Wrexham Hts | | | San Antonio | TX | 78254 | |
| Sandra Little Brown, Commissioner | | 716 Richard Arrington Jr. Blvd. N | Room 250, Jefferson County Courthouse | | Birmingham | AL | 35203 | |
| Sandra Norl | | 1432 Fulton Ave. SW | | | Birmingham | AL | 35211 | |
| Sandra Rebecca reed | | 2112 Dialsdale Dr SW | | | Cullman | AL | 35055 | |
| Sandra W. Jones | | 528 Eastbrook Dr. | | | Birmingham | AL | 35215 | |
| Sandra Womack | | 1661 Fulton Ave. SW | | | Birmingham | AL | 35211 | |
| Sanford Survivors Trust Dated 03/28/1992 | Dale V. Sanford TTEE | 1509 Diamond Country Dr. | | | Reno | NV | 89521 | |
| Sanjay Bhargava | | 14 Setting Sun Drive | | | Hackettstown | NJ | 07840 | |
| Sansom Equipment Company | | P.O. Box 360041 | | | Birmingham | AL | 35236 | |
| Santayana K. Woods | | 893 77th Street South | | | Birmingham | AL | 35206 | |
| Santita Humphries | | 1661 Fulton Ave. SW | | | Birmingham | AL | 35211 | |
| Sara C. Finley | | 3412 Brookwood Road | | | Birmingham | AL | 35223 | |
| Sarah E. Martin | | 787 H Montclair Rd | | | Birmingham | AL | 35213 | |
| Sarah M. Crowley & Billy Crowley Co-TTEE Crowley Living Trust U/A DTD 06/16/2008 | | 9393 Thoroughbred Run | | | Fairhope | AL | 36532 | |
| Saundra Lewis Ivey | | 617 Meadow Ridge Dr | | | Birmingham | AL | 35242 | |
| SAVANNAH RIDGE LLC | Kelly B. Furgerson | Attorney at Law | Law Offices of B. Christopher Battles, LLC | 3150 Highway 52 West | Pelham | AL | 35124 | |
| Scanlan International Inc. | | One Scanlan Plaza | | | St. Paul | MN | 55107 | |
| Schafer Fred W | James A Kee JrJon M HughesKee and Selby LLP | 1900 International Park Dr Ste 220 | | | Birmingham | AL | 35243 | |
| Schneider Electric USA Inc. | | P.O. Box 533344 | | | Charlotte | NC | 28290 | |
| Scott Adam Gardner | | 1639 11th Pl. S, Apt. J | | | Birmingham | AL | 35205 | |
| Scott Charles Hofer | | 2308 Haden St | | | Hoover | AL | 35226 | |
| Scott Dale Merchant | | 3822 Virginia Dr. | | | Bessemer | AL | 35023 | |
| Scott Simon | | 1909 Madison Ave. SW | | | Birmingham | AL | 35211 | |
| Scott Turnbull | | 14232 Marsh Ln. #193 | | | Addison | TX | 75001 | |
| Scrubs Stat | | 201 Finney Dr. | | | Huntsville | AL | 35824 | |
| Seal Analytical Inc | | 10520-C Baehr Road | | | Mequon | WI | 53092 | |
| SEALS VERA | | 2733 24TH ST W | | | BESSEMER | AL | 35023 | |
| SEC Headquarters | | 100 F St. NE | | | Washington | DC | 20549 | |
| SED Inc of South Carolina | c/o William D Lineberry EsqBalch and Bingham LLP | PO Box 306 | | | Birmingham | AL | 35201-0306 | |
| SED, Inc. of South Carolina | c/o William D. Lineberry, Esq. | Balch & Bingham, LLP | 1901 Sixth Ave. N, Ste. 1500 | | Birmingham | AL | 35203 | |
| Select Medical Rehab Services | | P.O. Box 643920 | | | Pittsburgh | PA | 15264 | |
| Self Ted E | Cindy Self WebbMiller Christie and Kinney PC | 2090 Columbiana Rd Ste 3400 | | | Birmingham | AL | 35216-2153 | |
| Selman M. Knight | | 4054 Wellington Way | | | Moody | AL | 35004 | |
| Seneca Leah Nash | | 4482 Willow St. | | | Gardendale | AL | 35071 | |
| Seroba J. Melink Rev Trust DTD 10-31-02 | Seroba J. Melink (as Trustee) | 6142 Courtside Pl. | | | Loveland | OH | 45140 | |
| Seth E. Lemler | | 60 W. 57th Street | Apt 14-L | | New York | NY | 10019 | |
| Seth Mitchell | | 6278 Spring Hollow Rd | | | Gardendale | AL | 35071 | |
| SEXTON MARY | | 1300 14TH AVE NO | | | BESSEMER | AL | 35020 | |
| Shamrock Scientific | | P.O. Box 143 | | | Bellwood | IL | 60104 | |
| Shanda L. Jackson | c/o Robert C. Keller | 315 Gadsden Highway | Suite D | | Birmingham | AL | 35235 | |
| Shane Allen Bates | | 920 Potter Ave. | | | Bessemer | AL | 35020 | |
| Shaneka S. Atmore | | 320 41st Ave. NE | | | Birmingham | AL | 35215 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|--------------------------------------|------------------------------|----------|----------------|-------|------------|---------|
| Shannon C. Conway | | 9634 Bradford-Trafford Rd. | | | Warrior | AL | 35180 | |
| Shannon Pate ASP Homebuilding Inc | | 2870 Glen Gate Cir | | | Bessemer | AL | 35022 | |
| Shannon R. McPherson | | 416 First Terr. | | | Pleasant Grove | AL | 35127 | |
| Shanron Zhou | | 30 Port Royal Ave. | | | Foster City | CA | 94404-3581 | |
| Shantrena Christian | | 5016 Bent River Troe. | | | Hoover | AL | 35216 | |
| Sharit Charles R | Ronald R CrookSmith and Alspaugh PC | 1100 Financial Ctr | 505 N 20th St | | Birmingham | AL | 35203-4640 | |
| Sharn Inc | | P.O. Box 21666 | | | Tampa | FL | 33622-1666 | |
| Sharon Belcher | | 5220 Carriage Drive | | | Pinson | AL | 35203 | |
| Sharon Chgbet Sang | | 101 Leay Lake Blvd Apt 720 | | | Birmingham | AL | 35211 | |
| Sharon D. Bowie | | 1200 4th Terr. W | | | Birmingham | AL | 35204 | |
| Sharon Elaine Gardner | c/o D. Leon Ashford | Hare Wynn Newell & Newton | 2025 Third Ave., Ste. 800 | | Birmingham | AL | 35203 | |
| Sharon Evans | | 3103 Double Lake Dr | | | Missouri City | TX | 77459 | |
| Sharon Gwennette Green | | 61 Portzer Rd. | | | Jasper | AL | 35504 | |
| Sharon Henderson | | 5756 Seddon Shores Drive | | | Pell City | AL | 30128 | |
| Sharon L. Diercks Revocable Trust U/A 3/12/99 | Sharon L. Diercks, Trustee | 344 Woodward Ct. | | | Birmingham | AL | 35242 | |
| Sharon L. Horst | | 5305 N Frace St | | | Tacoma | WA | 98407 | |
| Sharon Long McCollough | | 1985 Townhouse Ln. | | | Hueytown | AL | 35023 | |
| Sharran L. Patrick | | 448 Big Dutch Dr | | | Kamas | UT | 84036 | |
| Shaun Liner | | 1200 Robley Dr Apt 2108 | | | Lafayette | LA | 70503-5503 | |
| Shaunta Vinnetta Megginson | | 809 Royal Oaks Dr. | | | Hoover | AL | 35244 | |
| Shavonda Leonard | | 6300 Crest Green Rd. | | | Birmingham | AL | 35212 | |
| Shawanda Wynetta McMillan | | 1658 19th St. SW | | | Birmingham | AL | 35211 | |
| Shawn Lane Byess | | 2436 Hampstead Dr | | | Birmingham | AL | 35235 | |
| Shawnte M Lee | | 7219 Clover Leaf Lane | | | Bessemer | AL | 35022 | |
| Sheena Andrea Roberts | | 608 Riverchase Tr. | | | Birmingham | AL | 35244 | |
| Sheena Nequal Mathews | | 1801 Meadows Dr. | | | Birmingham | AL | 35225 | |
| Sheila G. Cleckler | | 11957 Hearstone Ln. | | | McCalla | AL | 35111 | |
| Sheila Gerber | | 1021 Romona Rd | | | Wilmette | IL | 60091 | |
| Shelia Y. Smoot | | 3724 Village Center Way | | | Hoover | AL | 35226 | |
| Shelton L. Dyer | | 190 Harpers Lane | | | Ashville | AL | 35953 | |
| Shenika J. Tartt | | 904 Milstead Rd., Apt. 21 | | | Fairfield | AL | 35064 | |
| Sheraton Birmingham Hotel | | 2101 Richard Arrington Jr. Blvd. N | | | Birmingham | AL | 35203 | |
| Shereen Walker | | 225 Walker Rd. | | | Forestdale | AL | 35214 | |
| Sherlesia Murphy | | 1661 Fulton Ave. SW | | | Birmingham | AL | 35211 | |
| Sherman I Brown MD | | 505 S. Orange Ave Unit 501 | | | Sarasota | FL | 34236 | |
| Sheronda Sarhaan | | 8894 Gooseberry Cove | | | Cordova TN | AL | 38016 | |
| Sherrer, Jones & Terry P.C. | Patrick B. Jones, III | 335 West Main St. | | | Dothan | AL | 36301 | |
| Sherry Elaine McClain | | 4129 4th Ave. | | | Brighton | AL | 35020 | |
| Sherry R. Gurganus | | 4192 Franklin Cr | | | Fultondale | AL | 35068 | |
| Sheryl K. Roberts | | 880 6th St. NW | | | Graysville | AL | 35073 | |
| Sheryl Price | | 647 Bluff Park Rd | | | Hoover | AL | 35526 | |
| Shewanda Leshetta Clark | | 3421 28th Ave. N | | | Birmingham | AL | 35207 | |
| Shige International, Inc. | Attn Barry Fujita | 87-2020 Farrington Hwy. | | | Waianae | HI | 96792 | |
| Shige International, Inc. | Law Offices of Neal K. Aoki, LLC | 500 Ala Moana Blvd., Ste. 4-480 | | | Honolulu | HI | 96813 | |
| Shirley A. Harris | | 908 25th St. SW | | | Birmingham | AL | 35211 | |
| Shirley A. Williams | c/o Jaffe & Erdberg, PC | Suite 817, Frank Nelson Building | 205 20th Street N. | | Birmingham | AL | 35203 | |
| Shirley Ann Perry | | 493 37th Terrace West | | | Birmingham | AL | 35207 | |
| Shirley D. Little | | 1636 58th St Ensley | | | Birmingham | AL | 35228 | |
| Shirley Langham | | 337 Five Acre Rd. | | | Hueytown | AL | 35023 | |
| Shirley T. Combs | | 1801 27th Street North | | | Birmingham | AL | 35234 | |
| Shirley Wright Hardley | | 1005 Griswold Rd. | | | Fairfield | AL | 35064 | |
| Shjonda D. Brown | | 2545 24th St. | | | Birmingham | AL | 35208 | |
| Shobrena Lavell Shamburger | | P.O. Box 665 | | | Pleasant Grove | AL | 35127 | |
| Shoe Station, Inc. | c/o Michael T. Cronin | Johnson, Pope, Bokor, Ruppel & Burns | 911 Chestnut St. | | Clearwater | FL | 33756 | |
| Shonda Nicole Gilbert | | 2800 33rd Ave. N | | | Birmingham | AL | 35207 | |
| Shontay D. Wyatt | | 1720 Cherry Ave | | | Birmingham | AL | 35214 | |
| Shwu-Meei Yang, Ning Yuen Chen JT WROS | Shwu-Meei Yung | Ning Yuen Chen | 14527 White Birch Valley Ln | | Chesterfield | MO | 63017-2417 | |
| Sid E. Bryant, Jr. | | 4836 Clairmont Ave. S | | | Birmingham | AL | 35208 | |
| Sidney Browning | | Jefferson County Courthouse | 716 Richard Arrington Jr N | | Birmingham | AL | 35203 | |
| Sidney Fletcher Browning | | 812 Nob Hill Dr., Apt. B | | | Birmingham | AL | 35216 | |
| Sidney Kohl | | 305 Royal Poinciana Plaza | | | Palm Beach | FL | 33480 | |
| Simmons Bonnie | | 1717 Kansas Street | | | Gadsden | AL | 35903 | |
| SimplexGrinnell LP | | Dept CH 10320 | | | Palatine | IL | 75395-2121 | |
| Simpson Thacher & Bartlett LLP | Attn Steven M. Fuhman, Esq and Elisha D. Graff, Esq. | 425 Lexington Avenue | | | New York | NY | 10017 | |
| Singer Rev Trust | W. H. Singer | 13620 E Cam La Cebadilla | | | Tucson | AZ | 85749-8613 | |
| SL Liquidation Fund L.P. | Attention Claudia Borg | 555 Fifth Avenue, 18th Floor | | | New York | NY | 10017 | |
| SL Liquidation Fund L.P. | Stone Lion Capital Partners L.P. | Attention Claudia Borg | 461 Fifth Avenue, 18th Floor | | New York | NY | 10017 | |
| SM Consulting Pension Trust | | 33 Cascades Terrace | | | Branchburg | NJ | 08876 | |
| SM Consulting Pension Trust | | 33 Cascades Terrace | | | Branchburg | NJ | 08876-7427 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|--|-------------------------------------|----------------------------------|----------|---------------|-------|------------|---------|
| Small Tara Nix | Karyl RasmussenCameron Law Firm | PO Box 141 | | | Chelsea | AL | 35043 | |
| SMG Properties LLC | | 274 N. Windwood Heights | | | Cabot | AR | 72023 | |
| Smith Angie | | 6432 Ridge View Cir | | | Bessemer | AL | 35022 | |
| Smith Eddie | c o Derrick A Mills EsqMarsh Rickard and Bryan PC | 800 Shades Creek Pkwy Ste 600 D | | | Birmingham | AL | 35209 | |
| Smith Thornton Advisors | Earl and Anne Gattis | 626 Clinton Ave, Suite 100 | | | Huntsville | AL | 35801 | |
| SMITH VITA | | 1907 WINNSBORO RD | | | BIRMINGHAM | AL | 35213 | |
| Smoot Family Trust | Sharon S. Bowie Trustee | 33 Oak Ridge Dr. | | | Newtown | CT | 06470 | |
| Societe Generale | c/o Mark J. Fiekers | Ashurst LLP | 1875 K St. NW | | Washington | DC | 20006 | |
| Societe Generale New York Branch | Jack J Rose Esq | c o Ashurst LLP 7 Times Square | | | New York | NY | 10036 | |
| Societe Generale, New York Branch | Ashurst LLP | Jack J. Rose | 7 Times Square | | New York | NY | 10036 | |
| Societe Generale, New York Branch | Ashurst LLP | Jack Rose | 7 Times Square | | New York | NY | 10036 | |
| Solomon Cope Sr | | 389 Glynn Drive | | | Birmingham | AL | 35215 | |
| Sondra D. Blankenship | | 4637 Lane Dr. | | | Gardendale | AL | 35071 | |
| Sonomed Escalon | | P.O. Box 1677 | | | Southeastern | PA | 19399 | |
| Southeastern Business Machines Inc. | | P.O. Box 1254 | | | Huntsville | AL | 35807 | |
| Southeastern Meats of Pelham, Inc. | Attn Anne Scogin | 3031 Pelham Pkwy. | P.O. Box 545 | | Pelham | AL | 35124 | |
| Southern Comfort Conversions, Inc. | Attn Chuck Blevins | 7769 Gadsden Hwy. | | | Trussville | AL | 35173 | |
| Southern Gas & Supply | | 125 Thruway Parkway | | | Broussard | LA | 70518 | |
| Southern Hydraulics LLC | | 521 Alliance Rd. | | | Bessemer | AL | 35023 | |
| Southern Linc | | 4601 Southlake Pkwy., Ste. 100 | | | Hoover | AL | 35244 | |
| Southern Orthopaedic | | 1100 Hammond Dr., Ste. 410A-#310 | | | Atlanta | GA | 30328 | |
| Southland Entertainment, LLC | | 2724 10th Ave. | | | Huntsville | AL | 35805 | |
| Southland International Trucks | | 200 Oxmoor Blvd. | | | Birmingham | AL | 35209 | |
| SouthTrust Bank, N.A. | | 420 N. 20th St. | | | Birmingham | AL | 35203 | |
| SPEC, Inc., and | Graham N. Webster & Barbara V. Webster | Attn Barbara Webster | 2490 Five Star Pkwy. | | Bessemer | AL | 35022 | |
| Spencer Holdings, LP | | 10175 Fortune Pkwy, #405 | | | Jacksonville | FL | 32256 | |
| Spencer Holdings, LP | Murphy & Anderson, P.A. | 1501 San Marco Blvd Ste 1 | | | Jacksonville | FL | 32207-2927 | |
| Spencer Williams Green | | 144 Moonshine Lane | | | Harpers Ferry | WV | 25425 | |
| Spin and Win Inc | c o Samuel R McCord Esq | 2126 Morris Ave | | | Birmingham | AL | 35203 | |
| Spina & Lavelle, P.C. | Paul J. Spina, III | 1500 Urban Center Drive, Ste. 450 | | | Birmingham | AL | 35242 | |
| Spotswood Sansom & Sansbury LLC | Emily J Tidmore | 940 Concord Center | 2100 Third Avenue North | | Birmingham | AL | 35203 | |
| Springer Equipment Co. Inc. | | 4263 Underwood Industrial Dr. | | | Birmingham | AL | 35210 | |
| Sprint | | P.O. Box 4181 | | | Carol Stream | IL | 60197-4181 | |
| Sprouse James E | c o Jesse P Evans III EsqHaskell Slaughter Young and Rediker LLC | 1400 Park Pl Tower | 2001 Park Pl N | | Birmingham | AL | 35203 | |
| Spruell Aries | | 2659 Bethel Road | | | Sparkville | MS | 29759 | |
| SS Bilyeu, SJ Shelk Co-TTee Susan S Bilyeu Grandchild Trust | Morgan Stanley Smith Barney | FC TO 535-019578-122 | 7515 Halcyon Summit Dr Suite 300 | | Montgomery | AL | 36117 | |
| SS Bilyeu, SJ Shelk Co-TTee Susan S Bilyeu Grandchild Trust | Susan S Bilyeu | 24 Hampton Way | | | Dothan | AL | 36305-6319 | |
| St. Bernard Financial | c/o Robert Keenan | 2621 W Main St Ste 6 | | | Russelville | AR | 72801 | |
| St. Paul Fire and Marine Insurance Company | Attn Nicole Ankeny | 385 Washington St. | | | St. Paul | MN | 55102 | |
| Stacey Burkes | | 2104 16th Ave N | | | Birmingham | AL | 35234 | |
| STAN PARKER | | 3004 DUNDEE LN | | | BIRMINGHAM | AL | 35242 | |
| Standard & Poors Ratings Services | | 55 Water St. | | | New York | NY | 10041-0003 | |
| Stanford L Hein | | 10309 NE 73rd St | | | Vancouver | WA | 98662-4801 | |
| Stanley Andrew Chappell | | 1044 Arkadelphia Rd. | | | Warrior | AL | 35180 | |
| Stanley E. Arrington | | 853 Southern Oaks Ln. | | | Odenville | AL | 35120 | |
| Stanley Friedman | | 2504 Deer Lake Street | | | Las Vegas | NV | 89134 | |
| Stanley Keith Upshaw | | 209 4th Ave. S | | | Birmingham | AL | 35205 | |
| Stapleton Margaret | | c o Sidney Summey | PO Box 248 | | Birmingham | AL | 35201 | |
| State Farm Insurance | obo Rex Whitten Attn Hardman William | 1607 Decatur Hwy | | | Gardendale | AL | 35071 | |
| State Farm Mutual Auto. Insurance Co. | | 1924 29th Ave. S | | | Birmingham | AL | 35209 | |
| State of Ala. Dept Of Indus. Relations | | St-Rm 2228/Fin Div | 649 Monroe | | Montgomery | AL | 36131 | |
| State of Alabama | | 100 N Union St-Room 234 | | | Montgomery | AL | 36130-0658 | |
| State of Alabama Bd. of Health | | P.O. Box 5625 | | | Montgomery | AL | 36103-5625 | |
| State of Alabama Department of Labor | | 100 North Union Street | | | Montgomery | AL | 36130-3500 | |
| State of Alabama Highway Dept | | 1409 Coliseum Blvd | | | Montgomery | AL | 36130 | |
| State St. Bank and Trust Co. | c/o William W. Kannel | Mintz, Levin, Cohn, Ferris, Glovsky | One Financial Center | | Boston | MA | 02111 | |
| State Street Bank and Trust Co, N.A. | Attn Corporate Trust Department | 61 Broadway | | | New York | NY | 10006 | |
| State Street Bank and Trust Company | Timothy L. Batler Sr VP | One Lincoln Street, SFC-5 | | | Boston | MA | 02111 | |
| Stefan Wilson | | 1522 Gardens Place | | | Hoover | AL | 35216 | |
| Stefan Wilson | | 917 Cherry Ave., Apt. 506 | | | Birmingham | AL | 35214 | |
| Steiner John S | Russell M Cunningham IV Cunningham Firm LLC | The Steiner Building Ste 305 | 15 Richard Arrington Jr Blvd N | | Birmingham | AL | 35203 | |
| Stephanie Biggers | | 3 Stoneview Trl | | | Irondale | AL | 35210-1731 | |
| Stephanie Heather Riley | | P.O. Box 225 | | | Odenville | AL | 35120 | |
| Stephanie N. Miles | | 104 Northwood Dr., Apt. 3F | | | Jasper | AL | 35504 | |
| Stephanie S Fischer Family Partnership LTD | Morgan Stanley Smith Barney | FC to Acct 535-019571-122 | 7515 Halcyon Summit Dr Suite 300 | | Montgomery | AL | 36117 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|---|---------------------------------------|----------|----------------|-------|------------|---------|
| Stephanie S Fischer Family Partnership LTD | Susan Bilyeu | 24 Hampton Way | | | Dothan | AL | 36305-6319 | |
| Stephanie Taylor | | 3201 S State St # 2568 | | | Chicago | IL | 60616-4392 | |
| Stephen A. Moseley | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Stephen Andrew Burnett | | 905 Tree Crossings Parkway | | | Hoover | AL | 35244 | |
| Stephen B. Tyson | | 2760 State Route 56 SW | | | London | OH | 43140-8890 | |
| Stephen D. Hobbs | | 3421 Davis Rd | | | Bessemer | AL | 35023 | |
| Stephen G. Havranek | | 43498 Pine Grove Rd | | | Bay Minette | AL | 36507 | |
| Stephen K.Gremmels | | 202 Kay Ave | | | Trussville | AL | 35173 | |
| Stephen Lindsey | | 1733 Vestwood Hills Dr. | | | Birmingham | AL | 35216-1368 | |
| Stephen R. Franks | | P O Box 130174 | | | Birmingham | AL | 35213 | |
| Stephen S. Cannon Trust, Lisa S. Cannon Trustee | Lisa S. Cannon | 2515 Deep Oak Court | | | Houston | TX | 77059 | |
| Stephen Turbin Trust | | 12805 Maple Road | | | North Miami | FL | 33181 | |
| Stericycle Inc | | P.O. Box 6582 | | | Carol Stream | IL | 60197-6582 | |
| Steve J. Lepine | | 21642 Monmouth Terr | | | Ashburn | VA | 20147 | |
| Steve Q. Jones | | 1242 Highland Parkway | | | Morris | AL | 35116 | |
| Steve R. Tidwell | | 3631 H.F. Dr. | | | Pinson | AL | 35126 | |
| Steven A. Miller | | 7856 Lou George Loop | | | Bessemer | AL | 35022 | |
| Steven E. Cotten | | 1121 4th Way | | | Pleasant Grove | AL | 35127 | |
| Steven E. Wilson | | P.O. Box 566 | | | Trussville | AL | 35173 | |
| Steven Fisher | | 1002 4th Terrace | | | Pleasant Grove | AL | 35127 | |
| Steven L. Debrow | | 1105 Moonglow Circle | | | Birmingham | AL | 35215 | |
| Steven S. Caldwell | | 9872 Royce Drive | | | Indianapolis | IN | 46235 | |
| Steven Staves | | 1700 Chuckanut Crest Dr | | | Bellingham | WA | 98229-8955 | |
| Steven W. King | | 1048 Cassius Ct | | | Camano Island | WA | 98282 | |
| Steven Wesley Kilgore | | 520 1st Avenue N | | | Warrior | AL | 35180 | |
| Stevens Graphics, Inc. | | 3196 Hwy 280 Rm 200C | | | Birmingham | AL | 35243 | |
| STEWART MICHELLE | | 139 HARDING CT WAY | | | BIRMINGHAM | AL | 35211 | |
| Stone Lion Capital Partners L.P. | Attention Claudia Borg | 461 Fifth Avenue, 18th Floor | | | New York | NY | 10017 | |
| Stone Lion Portfolio L.P. | Stone Lion Capital Partners L.P. | Attention Claudia Borg | 461 Fifth Avenue, 18th Floor | | New York | NY | 10017 | |
| Stone, Granade & Crosby | J. Bradford Boyd Hicks | Post Office Drawer 1509 | | | Bay Minette | AL | 36507 | |
| Stradley Ronon Stevens & Young, LLP | Steven J. White | 2600 One Commerce Square | | | Philadelphia | PA | 19103-7098 | |
| Straughn Family Rev. Trust - Charles Straughn & Lorraine Straughn TTEE | Charles & Lorraine Straughn | 1521 W. Pine St | | | Tucson | AZ | 85704-2263 | |
| Stuart Gross & Nancy Gross TR UA 04-19-2011 | Stuart Gross | 11909 SE Indiana River Dr N | | | Hobe Sound | FL | 33455-3511 | |
| Superior Products | | P.O. Box 39048 | | | Birmingham | AL | 35208 | |
| Supply Sanitation System LLC | | 12700 Hillcrest, Ste 230 | | | Dallas | TX | 75230 | |
| SureQuest Systems Inc. | | 3330 Keller Springs Rd, Ste. #205 | | | Carrllton | TX | 75006-5076 | |
| Susan Ann Hooper | | 861 Skyview Tr. | | | Trafford | AL | 35172 | |
| Susan B. Brumbeloe | | 1508 Highland Dr. | | | Crane Hill | AL | 35053 | |
| Susan Bilyeu | | 24 Hampton Way | | | Dothan | AL | 36305-6319 | |
| Susan Bilyeu | Morgan Stanley Smith Barney | FC to Acct 535-019569-122 | 7515 Halcyon Summit Dr Suite 300 | | Montgomery | AL | 36117 | |
| Susan J Krump Living Trust | Susan J Krump | 617 Sky Mountain Dr | | | Rogers | AR | 72756 | |
| Susan L. Clayburn | | 1728 Russet Hill Cr | | | Birmingham | AL | 35244 | |
| Susan L. Pitts | | 182 Oak Cr | | | Hayden | AL | 35079 | |
| Susan Lee Townsend | | 5167 Amberwood Ln. | | | Pinson | AL | 35126 | |
| Susan McWhorter Bakane | | 7513 Carrollwood Way | | | Trussville | AL | 35173 | |
| Susan Parsons | | 6425 Ridge View Circle | | | Bessemer | AL | 35022 | |
| Susan S Bilyeu | | 24 Hampton Way | | | Dothan | AL | 36305-6319 | |
| Susan S Bilyeu | Morgan Stanley Smith Barney | FCTO 535-019569-122 | 7515 Halcyon Summit Dr Suite 300 | | Montgomery | AL | 36117 | |
| Susan S. Thomason | | 30 Leach Rd | | | Empire | AL | 35063 | |
| Susan T Dean | | 3724 River Bend Ln | | | Birmingham | AL | 35223 | |
| Susan T. Dean | | CMR 420 Box 3369 | | | APO | AE | 09063 | |
| Susan T. Dean | Susan T Dean | 3724 River Bend Ln | | | Birmingham | AL | 35223 | |
| Suzanne Birchfield | c/o Candice J. Shockley, Esq. | Holliman & Shockley | 2491 Pelham Pkwy. | | Pelham | AL | 35124 | |
| Suzette Brewster | | 8112 10th Ave. S | | | Birmingham | AL | 35206 | |
| Swanson David | c o Henry J Walker Jr Esq | 2330 Highland Ave | | | Birmingham | AL | 35205 | |
| Sylvester & Elizabeth Bichler | | 19 Andante Trail Pl | | | Shenandoah | TX | 77381 | |
| Sylvester Lee Kyneard | | 2406 Longbow Dr | | | Birmingham | AL | 35214 | |
| Sylvia Dian Mills | | 24814 Hwy. 5. Lot 9 | | | Woodstock | AL | 35188 | |
| Symco Group Inc. | | P.O. Box 628004 | | | Orlando | FL | 32862-8004 | |
| Symphony Diagnostic Svcs No. 1 Inc | | P.O. Box 17462 | | | Baltimore | MD | 21297-0518 | |
| Syncora Guarantee Inc | Jonathan E PickhardtQuinn Emanuel Urquhart and Sullivan | 51 Madison Ave 22nd Fl | | | New York | NY | 10010 | |
| Syncora Guarantee Inc fka XL Capital Assurance Inc | Susheel Kirpalani Esq | c o Quinn Emanuel Urquhart and Sullivan LLP | 51 Madison Ave 22nd Fl | | New York | NY | 10010 | |
| Syncora Guarantee Inc. | Quinn Emanuel Urquhart & Sullivan LLP | Attn Eric M. Kay | 51 Madison Ave., 22nd Floor | | New York | NY | 10010 | |
| Syncora Guarantee, Inc. | c/o Quinn Emanuel Urquhart & Sullivan | J. Pickard, J. Shields, J. Berman | 51 Madison Ave., 22nd Floor | | New York | NY | 10010 | |
| T. Gilbert Butler & Marguerite R. Butler, TTEE Butler Living Trust | T. Gilbert Butler | P.O. Box 433 | | | Guin | AL | 35563 | |
| T. Joe Knight, Commissioner | | 716 Richard Arrington Jr. Blvd. | Room 220, Jefferson County Courthouse | | Birmingham | AL | 35203 | |
| TAB Office Systems & Solutions | | 234 Oxmoor Cir., Ste. #202 | | | Birmingham | AL | 35209-6439 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|---|------------------------------------|----------|---------------|-------|------------|---------|
| Tabathia Dukes Ishman | c/o Kirk Davenport | Adm. Est. of Claudia Dukes | P.O. Box 360186 | | Birmingham | AL | 35236 | |
| TABB Realty, LLC | Attn Thomas M. Mellnick, Jr. | 41605 Ann Arbor Rd. | P.O. Box 1500C | | Plymouth | MI | 48170 | |
| Tabitha Williams | | 157 Ashford Lane | | | Alabaster | AL | 35007 | |
| Tabitha Youlanda Davis | | 816 Center Way SW | | | Birmingham | AL | 35211 | |
| Tamara Frances Jackson | | 4137 49th Terr. N | | | Birmingham | AL | 35217 | |
| Tamara Johnson-Jones | | 3420 3rd Ave S | | | Birmingham | AL | 35222 | |
| Tamara Moore | | 528 Fair Oaks Dr | | | Fairfield | AL | 35064 | |
| Tamika Driver | | 324 North Wood Dr. | | | Birmingham | AL | 35215 | |
| Tamiko J. Davis | | 1412 26th St. N | | | Bessemer | AL | 35020 | |
| Tammy Audrenia Clay | | 1954 Brewster Rd. | | | Birmingham | AL | 35235 | |
| Tammy Davis | | 1258 Park Ave. | | | Tarrant | AL | 35217 | |
| Tamuriel L. Dillard | | 427 W Smithfield Cir. | | | Dolomite | AL | 35061 | |
| Tandi Kai Moss-Kynard | | 212 Robert Jemison Rd., Apt. 3A | | | Birmingham | AL | 35209 | |
| Tanecia Denise McCants | | 2262A Chapel Hill Rd | | | Birmingham | AL | 35216-5166 | |
| Tanya Ellen Johnson | | 43 Hickory Bluff | | | Woodstock | AL | 35188 | |
| Tara G. Nix | | District Ct-Civil Div | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Tara L. Kees-Gordon | | 5230 Highland Trace Cir. | | | Birmingham | AL | 35215 | |
| Tara Nix Small | c/o Karyl Rasmussen | Cameron Law Firm | P.O. Box 141 | | Chelsea | AL | 35043 | |
| Tarrant City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Tarrant Electric Dept. | | P.O. Box 170220 | | | Tarrant | AL | 35217 | |
| Tarrant Hydraulic Service | | PO Box 170189 | | | Tarrant | AL | 35217 | |
| TAYLOR DONALD | | 4721 MAIN ST | | | BESSEMER | AL | 35020 | |
| Taylor Martin | | c o Theresa Evans | 762 80th St S | | Birmingham | AL | 35206 | |
| Taylor Paula | | 2649 Piedmont Dr | | | Helena | AL | 35022 | |
| Teajuana Amison | | 1260 Sierra Ct. | | | Gardendale | AL | 35071 | |
| Tearsia F Adams | | 8620 9th Court S | | | Birmingham | AL | 35206 | |
| Tech Depot c/o Bank of America | | P.O. Box 33074 | | | Hartford | CT | 06150-3074 | |
| Technical Innovatinn LLC | | 2975 Northwoods Parkway | | | Norcross | GA | 30071 | |
| Ted H. Cook | | P.O. Box 1398 | | | Gadsden | AL | 35902 | |
| Ted Massingill & Gayla Massingill | | 301 Norwood Drive | | | Georgetown | TX | 78628 | |
| Ted Massingill & Gayla Massingill | Law Office of Robert E. Black | 500 W 16th Street, Suite 120 | | | Austin | TX | 78701 | |
| Teklinks Inc. | | 201 Summit Pkwy. | | | Homewood | AL | 35209 | |
| Telecommunications Fund | | 100 N. Union St., Rm. 230 | | | Montgomery | AL | 36130 | |
| Teledyne Leeman Labs | | Dept. CH 14186 | | | Palatine | IL | 60055-4186 | |
| Teleflex Medical | | P.O. Box 601608 | | | Charlotte | NC | 28260 | |
| Tennant M. Smallwood, Jr. (Decd) | | 709 Cunningham Cir. | | | Trussville | AL | 35173 | |
| Teresa Annette Essex | | 1316 Xavier St. | | | Birmingham | AL | 35224 | |
| Teresa B. Petelos | | 5178 Sapphire Ridge | | | Birmingham | AL | 35244 | |
| Teresa Charlotte | c o Mary Douglas Hawkins EsqGalloway and Scott LLC | 2200 Woodcrest Pl Ste 310 | | | Birmingham | AL | 35209 | |
| Teresa D. Marshall | | 7312 Joppa Ave. S | | | Birmingham | AL | 35206 | |
| Teresa G. Myers | | 16178 AL Hwy. 69 S | | | Bremen | AL | 35033 | |
| Teresa Gillis | | 4141 Pinson Valley Pkwy. #1010 | | | Birmingham | AL | 35215 | |
| Teresa J. Sigmon | | 33 Hearthstone Dr. | | | Asheville | NC | 28803 | |
| Teresa Webb | | 1961 Alton Rd. | | | Birmingham | AL | 35210 | |
| Terra Marie Chadwick Hayden | | 5364 McGowans Ferry Rd. | | | Childersburg | AL | 35044 | |
| Terrance Burr Bell | | 2281 Morton Rd. | | | Warrior | AL | 35180 | |
| TERRELL JAMES | | 1328 46TH ST ENSLEY | | | BIRMINGHAM | AL | 35208 | |
| Terry D. Johnson | | 1829 Brookside Rd. | | | Mt Olive | AL | 35117 | |
| Terry Helen | | c o Carlene Penry | 6338 DOLive Ct | | Daphnie | AL | 35526 | |
| Terry J. and Jeannea E. Howard | Terry J. Howard | 19624 N. Dunlap Rd. | | | Dennison | IL | 62423-2621 | |
| Terry King | | 7433 1st Ave. S | | | Birmingham | AL | 35206 | |
| Terry L. Scott | | 118 Redwood Ln | | | Remlap | AL | 35133 | |
| Terry L. Scott | Terry L. Scott | 118 Redwood Ln | | | Remlap | AL | 35133 | |
| Terry Louis Brown | | P.O. Box 275 Howard Ave | | | Adamsville | AL | 35005 | |
| Terry M. Lindley | | 5568 South Shades Crest Rd. | | | Bessemer | AL | 35022 | |
| Terry Sarah | | 318 County Road 307 | | | Cullman | AL | 35057-2814 | |
| Terry Towns | c/o Rodney F. Barganier | 2001 Park Pl. N, Ste. 510 | | | Birmingham | AL | 35203 | |
| Terumo Medical Corp. | | P.O. Box 281285 | | | Atlanta | GA | 30384-1285 | |
| Teryn C. Brown | | 7224 Pine Tree Ln. | | | Hueytown | AL | 35023 | |
| Texas Farm Bureau Mutual Insurance | | P.O. Box 2689 | | | Waco | TX | 76702 | |
| The Bank Of New York | | 101 Barclay St-12w | | | New York | NY | 10286 | |
| The Bank of New York Mellon | c/o Thomas C. Mitchell | Orrick, Herrington & Sutcliffe LLP | The Orrick Building, 405 Howard St | | San Francisco | CA | 94105-2669 | |
| The Bank of New York Mellon | | Orrick, Herrington & Sutcliffe LLP | 405 Howard Street | | San Francisco | CA | 94105-2669 | |
| The Bank of New York Mellon | Thomas C Mitchell Esq | c o Orrick Herrington and Sutcliffe LLP | 405 Howard St | | San Francisco | CA | 94105 | |
| The Bank of New York Mellon et al | Larry ChildsBrian MalcolmRyan CochranWaller Lansden Dortch and Davis | 1901 6th Ave N Ste 1400 | | | Birmingham | AL | 35203-2618 | |
| The Bank of New York Mellon Trust Co NA f k a The Bank of New York Trust Company of Florida NA | as registrar transfer agent and paying agent | 505 N 20th St Ste 950 | Charles S Northen IV | | Birmingham | AL | 35203 | |
| The Bank of New York Mellon, as Indenture Trustee | c/o Bridget M. Schessler, Vice President | 525 William Penn Place, 38th Floor | | | Pittsburgh | PA | 15259 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|--|------------------------------------|-----------------|-----------------|-------|------------|---------|
| The Bank of New York Mellon, as Indenture Trustee | c/o David E. Lemke | Waller Lansden Dortch & Davis, LLP | 511 Union Street, Suite 2700 | | Nashville | TN | 37219 | |
| The Bank of New York Trust Co of FL, NA | c/o Gerald F. Mace | Waller Lansden Dortch & Davis, LLP | 511 Union St., Ste. 2700 | | Nashville | TN | 37219 | |
| The Bank of New York Trust Co of FL, NA | c/o Larry Childs, Esq. | Waller Lansden Dortch & Davis, LLP | 1901 Sixth Ave. N, Ste. 1400 | | Birmingham | AL | 35203 | |
| The Bank of New York, as Trustee | | Financial Center | 505 N. 20th St. | | Birmingham | AL | 35203 | |
| The Bank of Nova Scotia | Chapman and Cutler LLP | James E. Spiotto, Esq. and Ann Acker, Esq. | 111 West Monroe Street, 18th Floor | | Chicago | IL | 60603 | |
| The Bar-Chaim Family Trust U/A 01/16/01 Nadavbar-Chaim TTEE, Anat Bar-Chaim TTEE | | 5775 Evening Canyon Dr. | | | La Canada | CA | 91011 | |
| The Birmingham News | | P.O. Box 9001017 | | | Louisville | KY | 40290-1017 | |
| The Birmingham Times | | P.O. Box 10503 | | | Birmingham | AL | 35202 | |
| The David H Cobb Living Trust | David M Cobb | 1228 S. Milam | | | Amarillo | TX | 79102 | |
| The Depository Trust Company | | 55 Water St | | | New York | NY | 10041 | |
| The Esslinger Trust - Margaret Esslinger TTEE, Linda Morrell TTEE | | 12000 Turmeyer Dr. #1111 | | | Huntsville | AL | 35803 | |
| The Frost National Bank | John Resendez | 111 Soledad St., Ste. 1700 | | | San Antonio | TX | 78205 | |
| The Guardian | | P.O. Box 95101 | | | Chicago | IL | 60694-5101 | |
| The Jefferson County Public Building Authority | Finance Director | c o Jefferson County Commission | 716 Richard Arrington Jr Blvd N | | Birmingham | AL | 35263 | |
| The Klametz Family Trust - Theodore & Barbara Klametz Trustees | Theodore & Barbara Klametz | 900 St. Charles Place - Apt 304 | | | Pembroke Pines | FL | 33026 | |
| The Klametz Family Trust Theodore Klametz - Trustee | | 900 St. Charles Place - Apt 304 | | | Pembroke Pines | FL | 33026 | |
| The Martin Plaintiffs and Bryan Interveners | Cravath, Swaine & Moore LLP | Managing Attorney | Worldwide Plaza | 825 Eighth Ave. | New York | NY | 10019 | |
| The Mary M. Wood Living Trust, Mary M. Wood Trustee | Mary M. Wood | 4600 Middleton Park Circle East | Apt B 411 | | Jacksonville | FL | 32224 | |
| The MKM Trust | | 2365 Carillon Point | | | Kirkland | WA | 98033 | |
| The Parker Law Firm | | 500 Office Park Dr Ste 100 | | | Mountain Brk | AL | 35223-2444 | |
| THE SANDERS TRUST | | 1000 URBAN CTR DR STE 675 | | | BIRMINGHAM | AL | 35242 | |
| The Stewart Organization | | P.O. Box 43427 | | | Birmingham | AL | 35243 | |
| The Talia Family Trust | | Mazin Talia and Baan Talia, Co-Trustees | 6086 Camino Largo | | San Diego | CA | 92120 | |
| The Thomas John Hay Revocable Trust | | 1006 Ridgecrest Dr. | | | McKinney | TX | 75069 | |
| The Thomas John Hay Revocable Trust | c/o Tom Hay | 1006 Ridgecrest Dr. | | | McKinney | TX | 75069 | |
| The Title Group | | 3500 Colonnade Parkway | Ste 375 | | Birmingham | AL | 35243 | |
| The Travelers Indemnity Company | Attn Nicole Ankeny | 385 Washington St. | | | St. Paul | MN | 55102 | |
| The William Tosto Revocable Living Trust William Tosto Trustee | | 3267 Anthony Circle N | | | West Palm Beach | FL | 33417-1202 | |
| The Winery at Pepper Place | | 2801 2nd Ave. S | | | Birmingham | AL | 35233 | |
| Thea Denise Pickett | | 2100 Ellison Lakes Dr NW Apt 1116 | | | Kennesaw | GA | 30152-6742 | |
| Thelma Askew Thomas | | P.O. Box 130637 | | | Birmingham | AL | 35213 | |
| Theo K. Shipman | | 4615 Shipman Rd. | | | Dora | AL | 35062 | |
| Theodore Popee | | 6063 Woodland Ave | | | Pinson | AL | 35126 | |
| Theresa E. Carter | | 805 45th St. | | | Birmingham | AL | 35208 | |
| Theresa Lynn White (Decd) | | 4313 Inglenook St. | | | Birmingham | AL | 35217 | |
| Theresa Marie O Fallon | | 101 Kingstown Rd | | | Trussville | AL | 35173 | |
| Theresa O Ejem | | 1515 6th Avenue South | | | Birmingham | AL | 35233 | |
| Thermo Fisher Scientific | | P.O. Box 712480 | | | Cincinnati | OH | 45271-2480 | |
| Thermofisher Financial Service | | P.O. Box 712441 | | | Cincinnati | OH | 45271-2441 | |
| Thomas A. Gaghen & Debbie C Gaghen | Thomas A. Gaghen | 213 Sharp Dr | | | Gadsden | AL | 35903 | |
| Thomas A. Gaghen & Debbie C Gaghen | Thomas A Gaghen | 213 Sharp Dr | | | Gadsden | AL | 35903 | |
| Thomas Alan Comer | | 1700 Indian Creek Drive | | | Birmingham | AL | 35243-1700 | |
| Thomas B. Huzzey | | 3327 Sturbridge Lane | | | Sugar Land | TX | 77479 | |
| Thomas Dawson and Mary Beth Dawson | | 4717 Fair Oaks Ct. | | | Hamilton | OH | 45011 | |
| Thomas E. Tiffin, Jr. | | 4301 Old Leeds Rd. | | | Birmingham | AL | 35213 | |
| THOMAS GREGORY | | 7769 MCCOMBS MILL RD | | | PINSON | AL | 35126 | |
| Thomas Gregory T | c o William D Davis III EsqDavis and Associates | 2213 Morris Ave Ste 200 | | | Birmingham | AL | 35203 | |
| Thomas H. Williams | | P.O. Box 447 | | | Cleveland | AL | 35049 | |
| Thomas Huckabee | | 75 7th Ct. SW | | | Graysville | AL | 35073 | |
| Thomas Huzzey | | 3327 Sturbridge Lane | | | Sugar Land | TX | 77479 | |
| Thomas J & Gail D Stevenson LLC | | 6324 S. Helena | | | Spokane | WA | 99223 | |
| Thomas L. Whitlock, Jr. | | 6370 Harness Way | | | Pinson | AL | 35126-4483 | |
| Thomas M. Tucker (Decd) | | 13966 Rock House Rd. | | | Brookwood | AL | 35444 | |
| Thomas Maxwell Rutledge | | 1318 14th Street N | | | Birmingham | AL | 35020 | |
| Thomas Plumbing | | P.O. Box 488 | | | Fultondale | AL | 35068 | |
| Thomas R Smith | | 9760 15th St Rd | | | Bessemer | AL | 35023 | |
| Thomas R. & Joan G Dye Co | Ttee The Thomas R Dye TR U/A DTD August 22 1996 | 550 Okeechobee Blvd, Apt 1710 | | | West Palm Beach | FL | 33401-6341 | |
| Thomas R. Allison Family Trust | Denise A. Woodham | P.O. Box 149 | | | Montevallo | AL | 35115 | |
| Thomas R. Bedell & Linda C. Bedell | Thomas R. Bedell | 2623 Edmund Dr. | | | Gulf Breeze | FL | 32563 | |
| Thomas S. Davis | | 9255 Whipoorwill Ln. | | | Pinson | AL | 35126 | |
| Thomas Smith | | 4680 Avenue D | | | Orange Beach | AL | 36561-4350 | |
| Thomas T. Craven | | 10002 Motter Road | | | Athens | AL | 35611 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|-------------------------------|---|-----------------------------------|-----------------------|----------|----------------|-------|-------------|---------|
| Thomas T. Craven | | 10002 Motter Road | | | Athens | AL | 35611-7734 | |
| Thomas William | as next friend of Bruce Thomasc o Gathings Law | 2100 3rd Ave N Ste 900 | | | Birmingham | AL | 35203 | |
| Thomas, Leonard | c/o Varlier Rucker Russell | Cochran, Cherry, Givens, Smith PC | 306 North Main Street | | Tuskegee | AL | 36083 | |
| Thompson Angela | | 129 23rd Terr NW | | | Centerpoint | AL | 35215 | |
| Thompson Ian D. & Anne B | | 7579 Lawrence Rd | | | Boynton Beach | FL | 33436 | |
| Thompson Tractor Co., Inc. | | Attn Mike Reuter | P.O. Box 10367 | | Birmingham | AL | 35202 | |
| Thornton Properties Ltd. | | 265 Chastaine Cir. | | | Birmingham | AL | 35209 | |
| Thurmon Edwin Howard | | 4323 Maplewood Dr. | | | Trussville | AL | 35173 | |
| THURSBY CONNIE | | 226 DRUMMONDSWITCH CUTOFF RD | | | EMPIRE | AL | 35063 | |
| Tia Scott | | 5421 5th Terr. S | | | Birmingham | AL | 35212 | |
| Tiaesha D. Chestang | | 1515 Lacie Dr. | | | Trussville | AL | 35173 | |
| Tiffany C. Jones | | 787 Montclair Rd., Apt. S | | | Birmingham | AL | 35213 | |
| Tiffany Lee McCrary | | 1438 Cabin Hill Rd. | | | Birmingham | AL | 35235 | |
| Tiffany P. Whitlow | | 532 Ave. U, Pratt City | | | Birmingham | AL | 35214 | |
| Tiffany Roper | | 120 2nd Ct. N | | | Birmingham | AL | 35204 | |
| Tiffany W. Dates | | 645 Center Way SW | | | Birmingham | AL | 35211 | |
| Tim A. Geffert | | 302 Poenisch Dr | | | Corpus Christi | TX | 78412 | |
| Tim Alan Geffert | | 302 Poenisch Dr. | | | Corpus Christi | TX | 78412 | |
| TIM BAGWELL | | 9532 TRAMMEL RD | | | DORA | AL | 35062 | |
| Timaka Brown | | P.O. Box 5546 | | | McCalla | AL | 35022 | |
| TIMBERLEAF II LLC | | 4518 VALLEYDALE RD STE 203 | | | BIRMINGHAM | AL | 35242 | |
| TIMBERLINE BUILDING CO INC | | 7951 WYNWOOD RD | | | TRUSSVILLE | AL | 35173 | |
| Timothy Bell | | 1404 Rolling Ridge Cr | | | Pleasant Grove | AL | 35127 | |
| Timothy Brian Pugh | | 528 Triple Creek Dr | | | Morris | AL | 35116--1737 | |
| Timothy Eddins | | 1765 Vestavia Ln. | | | Vestavia Hills | AL | 35216 | |
| Timothy J. Postell | | 500 Lazy Y Rd. | | | Hayden | AL | 35079 | |
| Timothy L. Arnold | Attorney at Law, Inc. | 1823 3rd Avenue N | | | Bessemer | AL | 35020 | |
| Timothy L. Arnold | Attorney at Law, Inc. | The Judy Building | 1823 3rd Avenue North | | Bessemer | AL | 35021 | |
| Timothy M. Seagle | | 4502 Birminghamport Rd | | | Mulga | AL | 35118 | |
| Timothy N. Glover | | P.O. Box 77 | | | Morris | AL | 35116 | |
| Timothy Sanford | | 801 Ballard Tr. | | | Warrior | AL | 35180 | |
| Timothy Turner, Jr. | | 3904 37th Ave. N | | | Birmingham | AL | 35217 | |
| Timothy Watts | | 6131 Eagle Point Circle | | | Birmingham | AL | 35242 | |
| Tisco Surgical Instrument | | P.O. Box 924 | | | Hicksville | NY | 11802 | |
| T-Mobile | | P.O. Box 742596 | | | Cincinnati | OH | 45274-2596 | |
| Tobacco Express | | 2260 Brewster Rd | | | Clay | AL | 35235 | |
| Tobret J. Gibson | | 4210 Valley Ford Road | | | Ager | AL | 35006 | |
| Tobret J. Gibson | | 4602 Bailey-Gibson Cir. | | | Adger | AL | 35006 | |
| Todd Adams | | 9725 Winding Creek Dr | | | Warrior | AL | 35180 | |
| Todd E. Long | | 330 Woodbrook Dr Apt I 188 | | | Gardendale | AL | 35071 | |
| Tom E. Williams | | 4904 Branchville Rd | | | Trussville | AL | 35173 | |
| Tomasina Austin Weaver | | 2915 Carolina Ave. | | | Bessemer | AL | 35020 | |
| Tommy G. Billings | | 308 Hill Ave | | | Hueytown | AL | 35023 | |
| Tommy R. Guthrie Jr. | | 457 Ridge Rd | | | Birmingham | AL | 35206 | |
| Tony L. Washington | | 841 Miami Place | | | Birmingham | AL | 35214 | |
| Tonya Moore Inman | | 1613 Old Cook Ford Rd | | | Quinton | AL | 35130-9569 | |
| Tonya Rogers | | 1816 Martinique Dr., Apt. C | | | Birmingham | AL | 35215 | |
| Tool-Smith Company | | 1300 4th Avenue South | | | Birmingham | AL | 35233 | |
| Torrance Lamar Akles | | 520 Esplanade Dr. | | | Birmingham | AL | 35206 | |
| Total Access Group Inc | | 1671 E Saint Andrew Place | | | Santa Ana | CA | 92705-4932 | |
| Toushi A. Arbitelle | | 1616 Burgin Ave. | | | Birmingham | AL | 35217 | |
| Towers Electric Service, Inc. | | 101 Linwood Drive | | | Hueytown | AL | 35023 | |
| Town of Kimberly | | P.O. Box 206 | | | Kimberly | AL | 35091 | |
| Town Of Morris | | P.O. Box 163 | | | Morris | AL | 35116 | |
| Town of West Jefferson | | 7076 West Jefferson Rd. | | | Quinton | AL | 35130 | |
| Towns Terry | c o Rodney F BarganierPetway Tucker and Barganier | 2001 Park Pl N Ste 510 | | | Birmingham | AL | 35203 | |
| Traci T. Mallory Nance | | 313 Mignon Ave. | | | Birmingham | AL | 35215 | |
| Tracie A. Todd | | 710 8th Ter W | | | Birmingham | AL | 35204-3526 | |
| Tracie Walker Hodge | | 1858 20th St. Ensley | | | Birmingham | AL | 35218 | |
| Tracstar Systems Inc | | P.O. Box 100868 | | | Atlanta | GA | 30384 | |
| Tractor & Equipment Co. | | 5336 Airport Hwy. | | | Birmingham | AL | 35212 | |
| Tracy C. Neighbors | | 3015 E. Lake Sammamish Parkway SE | | | Sammamish | WA | 98075 | |
| Tracy Elaine Hentley | | # 8 9th Ct. N | | | Birmingham | AL | 35204 | |
| Transportation Research Board | | 500 5th Street NW | | | Washington | DC | 20001 | |
| Transtar Industries | | 2917 Third Avenue South | | | Birmingham | AL | 35233 | |
| Travis Jackson Box | | 133 Mobile Ave. | | | Trussville | AL | 35173 | |
| Tri-Anim Health Service Inc | | 25197 Network Place | | | Chicago | IL | 60673-1251 | |
| TRICOR | | 39209 Treasury Ctr. | | | Chicago | IL | 60694-9200 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|---|---|------------------------------------|------------------|--------------|-------|------------|---------|
| Tri-Delta Resources Corp. | | 15 North St. | | | Canandaigua | NY | 14424 | |
| Trigreen Equipment LLC | | 26685 John T. Reid Pkwy. | | | Scottsboro | AL | 35768 | |
| Trinita Richelle March | | 2804 Yellowhammer Hill | | | Birmingham | AL | 35216 | |
| Trinova Inc. | | P.O. Box 190849 | | | Mobile | AL | 36619 | |
| Triple Point Industries | | P.O. Box 36423 | | | Hoover | AL | 35236 | |
| Tristan Nelson | | 820 Merganser Dr #903 | | | Fort Collins | CO | 80524 | |
| Tronex International Inc | | P.O. Box 95000 | | | Philadelphia | PA | 19195 | |
| Troy W. Huddleston | | 131 Lakeshore Ridge | | | Birmingham | AL | 35211 | |
| Truman N. Robinson | | 919 Bending Creek Dr. | | | Hueytown | AL | 35023 | |
| Trussville Fire Department | | P.O. Box 71 | | | Trussville | AL | 35173 | |
| Tsukerman Alexander | | 30 Port Royal Ave | | | Foster City | CA | 94404-3581 | |
| Tsukerman Michael | | 30 Port Royal Ave | | | Foster City | CA | 94404-3581 | |
| Tula W Hemphill | | 7952 Plum Orchard Way | | | Montgomery | AL | 36117 | |
| Tula W Hemphill | Edward Jones - FBO Tula Hemphill | PO Box 1699 | | | Andalusia | AL | 36420 | |
| Turenne Pharmacy Services | | 355 Industrial Park Blvd. | | | Montgomery | AL | 36117 | |
| Tyler Koch Forsythe | | 3262 Gondola Dr | | | Lexington | KY | 40513 | |
| TYLER ROBERT | | PO BOX 265 | | | TRAFFORD | AL | 35172 | |
| Tyrone Holman | | 5557 Orange Dr | | | McCalla | AL | 35111 | |
| Tyrone Thomas | | 101 3rd St. | | | Docena | AL | 35026 | |
| Tyrone Willis | | 12-A 9th Ave West | | | Birmingham | AL | 35204 | |
| Tyson, Lavelle | c/o C. Michael Quinn, Esq. | Wiggins, Childs, Quinn & Pantazis, LLC | 301 19th Street North | | Birmingham | AL | 35203 | |
| U S Department of Commerce, Economic Development Administration | | Room 71004 1401 Constitution Ave NW | | | Washington | DC | 20230 | |
| U.S. Attorneys Office | Executive Office for US Attorneys | US Department of Justice | 950 Pennsylvania Ave. NW, Rm 2242 | | Washington | DC | 20530-0001 | |
| U.S. Bancorp Equipment Finance, Inc. | | P.O. Box 230789 | | | Portland | OR | 97281 | |
| U.S. Bank N.A., as Paying Agent for GO Capital Improvement Warrants, Series 2004-A | Kesha L. Tanabe, Esq. Clark T. Whitmore, Esq. | Maslon Edelman Borman & Brand LLP | 3300 Wells Fargo Center | 90 S. 7th Street | Minneapolis | MN | 55402-4140 | |
| U.S. Bank N.A., as Paying Agent for GO Capital Improvement Warrants, Series 2004-A | U.S. Bank National Association | Charles S. Hodges, Vice President | 214 North Tryon Street, 27th Floor | | Charlotte | NC | 28202 | |
| U.S. Bank National Association | | 214 N Tryon St., 27th Floor | | | Charlotte | NC | 28202 | |
| U.S. Bank National Association | Charles S. Hodges, Vice President | 214 North Tryon Street, 27th Floor | | | Charlotte | NC | 28202 | |
| U.S. Bank National Association as successor indenture trustee | Charles S. Hodges, Vice President | 214 North Tryon Street, 27th Floor | | | Charlotte | NC | 28202 | |
| U.S. Bank National Association, in its capacity as Trustee | Charles S. Hodges, Vice President | U.S. Bank National Association Corporate Trust Services | 214 North Tryon Street 27th Floor | | Charlotte | NC | 28202 | |
| U.S. Bank National Association, in its capacity as Trustee | Charles S. Hodges, Vice President | U.S. Bank National Association Corporate Trust Services | 214 N Tryon St., 27th Floor | | Charlotte | NC | 28202 | |
| U.S. Bank National Association, in its capacity as Trustee | Engel, Hairston & Johanson III | Charles R. Johanson III | 109 North 20th Street 4th Floor | PO Box 11405 | Birmingham | AL | 35203 | |
| U.S. Bank National Association, in its capacity as Trustee | Kesha L. Tanabe, Esq. Clark T. Whitmore, Esq. | Maslon Edelman Borman & Brand LLP | 3300 Wells Fargo Center | 90 S. 7th Street | Minneapolis | MN | 55402-4140 | |
| U.S. Bank, National Assn (as successor to SouthTrust Bank), Paying Agent | Felicia Cannon | 2204 Lakeshore Dr., Ste. 302 | Mail Code EX-AL-WWPH | | Homewood | AL | 35209 | |
| U.S. Bank, National Assn, Paying Agent | | 2204 Lakeshore Dr., Ste. 302 | Mail Code EX-AL-WWPH | | Homewood | AL | 35209 | |
| U.S. Economic Development Admin. | US Department of Commerce | Ste 71004 1401 Constitution Ave NW | | | Washington | DC | 20230 | |
| U.S. Foundry & Mfg Corp | | P.O. Box 918717 | | | Orlando | FL | 32891-8717 | |
| U.S. Geological Survey | | P.O. Box 71362 | | | Philadelphia | PA | 19176-1362 | |
| U.S. Securities and Exchange Commission | Office of Reorganization | Atlanta Regional Office | 950 East Paces Ferry Road, N.E. | Suite 900 | Atlanta | GA | 30326-1382 | |
| UAB Career Services | | Huc 532 | | | Birmingham | AL | 35294-1150 | |
| UAB Dept. of Medicine-Judy Thomas | | 1825 University Blvd. | Shel 176 | | Birmingham | AL | 35294-0006 | |
| UAB Health Service Foundation | | 1600 7th Avenue South | | | Birmingham | AL | 35233 | |
| UAB Health System | | 619 19th St S | Jefferson Tower Rm J306 | | Birmingham | AL | 35249-6805 | |
| UAB Hospital Business Office | | 619 S 19th St. | | | Birmingham | AL | 35233 | |
| UAB School of Dentistry | | 1919 7th Ave. S., SOB 53 | | | Birmingham | AL | 35294-0007 | |
| UAB Substance Abuse | | 401 Beacon Pkwy. W | | | Birmingham | AL | 35209-3105 | |
| Ugur Camli | | 7855 W 84th Place | | | Crown Point | IN | 46307 | |
| UNCH Inc. | | 524 Fourth Ave. N | | | Birmingham | AL | 35204 | |
| Uniforms2u | | 201 Finney Drive | | | Huntsville | AL | 35824 | |
| Unique Jackson | c/o David B. Norris | 10 Old Montgomery Hwy. | | | Birmingham | AL | 35209 | |
| Unisoft International Inc. | | P.O. Box 5818 | | | Kingwood | TX | 77325-5818 | |
| Unisys | | 801 Lakeview Dr., Ste. 100 | | | Blue Bell | PA | 19422-0001 | |
| United Parcel Service | | P.O. Box 72470244 | | | Philadelphia | PA | 19170 | |
| United States on Behalf of the U.S. Department of Justice | Christopher Emden, Esq. | U.S. Department of Justice, Civil Division | 1100 L Street, N.W., Room 10046 | | Washington | D.C. | 20005 | |
| United States on Behalf of U.S. Environmental Protection Agency | William Bush Associate Regional Counsel | US Environmental Protection Agency Region 4 | Atlanta Federal Center | 61 Forsyth St SW | Atlanta | GA | 30303 | |
| United States Pipe & Foundry Co, LLC | Attn Ray Torok, President | 3300 1st Ave. N | | | Birmingham | AL | 35222 | |
| Universal Hospital Services | | 135 West Oxmoor Road | Suite 333 | | Homewood | AL | 35209 | |
| Universal Hospital Services | Legal Department | 700 France Ave S Ste 275 | | | Edina | MN | 55435 | |
| Universal Seed & Supply | | P.O. Box 100637 | | | Birmingham | AL | 35210 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|---|-------------------------------------|---------------------------------------|----------------|------------------|-------|--------------|---------|
| University Hospital | | 619 19th St. S | Jefferson Tower, Room J306 | | Birmingham | AL | 35249-6805 | |
| University of Alabama | | P.O. Box 870388 | | | Tuscaloosa | AL | 35487 | |
| University of Alabama Health Svcs Foundation PC | Attn Patricia Pritchett | 500 22nd St S Ste 504 | | | Birmingham | AL | 35233 | |
| University of South Alabama | | 2100 307 Univ Blvd-Meisler Hall-St | | | Mobile | AL | 36688 | |
| Uptime Business Products | | P.O. Box 8568 | | | Roanoke | VA | 24014 | |
| US Bancorp | | 1310 Madrid St. | | | Marshall | MN | 56258 | |
| US Bank National Association | as successor indenture trustee | Hearst Tower 214 Tryon St 27th Fl | Charles S Hodges | | Charlotte | NC | 28202 | |
| US Bank National Association | as successor to SouthTrust Bank as paying agent | 2204 Lakeshore Dr Ste 302 | Mail Code EX AL WWPH | Felicia Cannon | Homewood | AL | 35209 | |
| US Construction Systems LLC | Frank C Galloway III Galloway and Scott LLC | 2200 Woodcrest Pl Ste 310 | | | Birmingham | AL | 35209 | |
| US Construction Systwrms, LLC | c/o Frank C. Galloway, III, Esq. | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | | Birmingham | AL | 35209 | |
| US Department of Commerce, Economic Development Administration | U S Department of Commerce, Economic Development Administration | Room 71004 1401 Constitution Ave NW | | | Washington | DC | 20230 | |
| US Steel Corporation - Fairfield Works | | Attn Jacques Foster | Tax Division, 600 Grant St., Rm. 1381 | | Pittsburgh | PA | 15219-2800 | |
| USA Bluebook | | P.O. Box 9004 | | | Gurnee | IL | 60031 | |
| USAA Casualty Ins CO | Chase Summer | 9800 Fredericksburg Rd | | | San Antonio | TX | 78288 | |
| USX Corporation | | 600 Grant St. | | | Pittsburgh | PA | 15219 | |
| Utah Medical Products | | 7043 S. 300W | | | Midvale | UT | 84047 | |
| Valencia Garrett Belle | | 925 East Wyck Pl. | | | Birmingham | AL | 35215 | |
| Valencia L. Moore | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| Valerie H. Childers | | 2355 Acton Park Cr | | | Birmingham | AL | 35243 | |
| Valerie Jones | Office of Senior Citizens Services | 2601 Highland Ave. S | | | Birmingham | AL | 35205 | |
| Valerie Lynne Jones | | 213 West Ann Dr | | | Birmingham | AL | 35211 | |
| Valerie M. Rowry | | 5033 Juiata Dr. | | | Irondale | AL | 35210 | |
| Valley East Properties | | 2101 Highland Ave., Ste. 700 | | | Birmingham | AL | 35205 | |
| Valley Printing Co. Inc. | | 3919 Vanderbilt Rd | | | Birmingham | AL | 35217 | |
| Valley View Partners | Attn Clifford J. Balzli, Sr. | 1165 Gadsden Hwy., Ste. 101 | | | Birmingham | AL | 35235 | |
| Vance G. Belcher | | P.O. Box 202 | | | Gardendale | AL | 35071 | |
| Vance S. Gibbs | | 261 Bentmoor Lane | | | Elena | AL | 35080 | |
| Vanessa Brown | | 1013 Timberbrook Cir. | | | Birmingham | AL | 35208 | |
| Vanguard Voyager Select Svcs | | PO Box 13750 | | | Philadelphia | PA | 19101 | |
| Vecchio Family Trust dtd 10/28/96 | Joseph Vecchio | 17911 Grey Heron Court | | | Fort Myers Beach | FL | 33931 | |
| Velicia Smith | | 4759 Innsbrooke Parkway | | | Pinson | AL | 35126 | |
| Velma Hawkins | | 137 Dogwood Ln. | | | Trussville | AL | 35173 | |
| Venessia Faye Wagstaff | | 1205 Hampton Park Dr | | | Hoover | AL | 35216-6571 | |
| Venetia B. Prince | | 54 Ridgelawn Dr. E | | | Mobile | AL | 251-343-5582 | |
| Veolia Environmental Svcs. | | P.O. Box 6484 | | | Carol Stream | IL | 60197 | |
| Verbon Latta | | 4760 Vermont St. | | | Birmingham | AL | 35210 | |
| Verizon Credit Inc. | | 201 N. Franklin St., Ste. 3300 | | | Tampa | FL | 33602 | |
| Verizon Wireless | | P.O. Box 660108 | | | Dallas | TX | 75266-0108 | |
| Verlita Chebreue Clifton | | 309 5th Way Pratt City | | | Birmingham | AL | 35214 | |
| Verner Albertsen & Seidi Albertsen | | 1209 N 20th Ave | | | Yakima | WA | 98902 | |
| Vernette Stodtmeister TTEE | Stodtmeister Family Tst | DTD 1/18/1977 | 1701 Skyline Dr | | Reno | NV | 89509 | |
| Veronica A. Hambric | | 330 Jamestown Manor Dr. | | | Gardendale | AL | 35071 | |
| Veronica Hammond | | 6300 Crest Green Rd. | | | Birmingham | AL | 35212 | |
| Veronica Rochelle Gyce | | 544 Gadsden Hwy., Apt. G 44 | | | Birmingham | AL | 35235 | |
| Vestavia Hills City Board of Education | Attn Superintendent Jamie Blair | 1204 Montgomery Highway | | | Vestavia Hills | AL | 35216 | |
| Vestavia Hills City Board of Education | BISHOP COLVIN JOHNSON & KENT LLC | WHIT COLVIN | 1910 FIRST AVE N | | BIRMINGHAM | AL | 35203 | |
| Veverit W. Tice | | 2225 Vesthaven Way E | | | Vestavia | AL | 35216 | |
| VHI Two Holdings, LLC | | 4100 East Lake Blvd. | | | Birmingham | AL | 35217 | |
| Vicky L. Newland | | 438 Magnolia Cir. | | | Warrior | AL | 35180 | |
| Victor Chappell | | 1451 Suncrest Cir. | | | Bessemer | AL | 35020 | |
| Victoria D. Jensen UA 09-22-2008 George and Victoria Jensen Trust | Victoria D. Jensen | 21216 E. 52nd St. Ct. S. | | | Blue Springs | MO | 64015 | |
| Vince Edward Brown | | 450 Toadvine Rd. | P O Box 28924 | | Midfield | AL | 35228 | |
| Vincenza Falso | | Plaza So. Apt. 14A | 4280 Galt Ocean Mile | | Ft. Lauderdale | FL | 33308-6147 | |
| Vincenza Falso | AU Ialso & FF Orando TTEES | Plaza So. Apt. 14A | 4280 Galt Ocean Mile | | Ft. Lauderdale | FL | 33308-6147 | |
| Vincenza Falso | AU Ialso & FF Orlando TTEES | Plaza So. Apt. 14A | 4280 Galt Ocean Mile | | Ft. Lauderdale | FL | 33308-6147 | |
| Virgil W. Shelton, Trustee | | One Treetops Ln, #601 | | | Little Rock | AR | 72202-1519 | |
| Virgil W. Shelton, TTEE | | 1 Treetops Ln. #601 | | | Little Rock | AR | 72202-1519 | |
| Virginia D. Merritt | Virgil M. Merritt | 117 Third Street NW | | | Milledgeville | GA | 31061 | |
| Vista Roofing | | P.O. Box 381804 | | | Birmingham | AL | 35238 | |
| Vivian B Mccovey | | 787 Forest Road | | | Pleasant Grove | AL | 35127 | |
| Vivian B. McCovey | | 3248 Summit Dr. | | | Birmingham | AL | 35243 | |
| Vivian Dykes | | 1665 19th St. SW | | | Birmingham | AL | 35211 | |
| Vivian J. Bon | Park Manor Apts | 140 Cotton Ave | | | Birmingham | AL | 35211 | |
| Voice-Tech Inc | | P.O. Box 637472 | | | Cincinnati | OH | 45263-7472 | |
| Vulcan Materials Company | | Drawer 0344/P.O. Box 11407 | | | Birmingham | AL | 35246 | |
| W D Carrington | | District Ct-Civil Division | 716 Richard Arrington Jr. Blvd. N | | Birmingham | AL | 35203 | |
| W. Larkin Coker III | | 1111 Shady Lane Circle | | | Talladega | AL | 35160 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|---|---|---|----------------------------------|------------------|----------------|-------|------------|---------|
| W. Mitchell Givens | | 4002 Beverly Hills Dr | | | Pegram | TN | 37143-2205 | |
| WADE JASPER | | 601 16TH WAY SW | | | BIRMINGHAM | AL | 35211 | |
| Wade P. Bruce | | 220 Greenhouse Lane | | | Graham | KY | 42344 | |
| WAITERS ROBIN RENEE | | 1133 ROEBUCK LAWN DR | | | BIRMINGHAM | AL | 35215-5923 | |
| Walter Billingsley | | 55 Greenleaf Cir. | | | Birmingham | AL | 35214 | |
| Walter E. Bednarski | | 153 Fordham Drive | | | Aberdeen | NJ | 07747 | |
| Walter W. Grammer | | 13159 Buck-Kennedy Rd | | | McCalla | AL | 35111 | |
| WALTON LESLIE | | 1113 14TH ST N APT C | | | BIRMINGHAM | AL | 35204 | |
| Wanda C. Ford | | 1628 5th St. NW | P.O. Box 2311 | | Birmingham | AL | 35215 | |
| Wanda Joyce Grounds | | 12 Fairview Dr | | | Odenville | AL | 35120-5734 | |
| Wanda L. McDaniel | | 509 Sunrise Blvd | | | Hueytown | AL | 35023 | |
| Wanda L. Poore | | 202 Countryview Cir. | | | Dora | AL | 35062 | |
| Wanda Washington | | 3110 Sayers Rd. | | | Fultondale | AL | 35068 | |
| Ward Stilwell Bower | | 529 Marshall Ave | | | Birmingham | AL | 35215 | |
| Warden Shirley | | c o Thomas Pelt 604 Bell Ave | | | Birmingham | AL | 35217 | |
| Ware Family Limited Partnership | | 8423 E. 1780 N. Rd. | | | Momence | IL | 60954-3355 | |
| Warren Averett Kimbrough & Marino, LLC | | 2500 Acton Rd. | | | Birmingham | AL | 35255-5309 | |
| Warren W. Gill | | 2190 Florida Rd. | | | Pell City | AL | 35125 | |
| Warrior River Vending Inc | c o Samuel R McCord Esq | 2126 Morris Ave | | | Birmingham | AL | 35203 | |
| Warrior River Water | | P.O. Box 2252, Dept. 45 | | | Birmingham | AL | 35246-0045 | |
| Warwick Development Co Inc | Frank C Galloway IIIGalloway and Scott LLC | 2200 Woodcrest Pl Ste 310 | | | Birmingham | AL | 35209 | |
| Warwick Development Co., Inc. | c/o Frank C. Galloway, III, Esq. | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | | Birmingham | AL | 35209 | |
| Watco a Limited Partnership | | 176 Reddington Village Ln. | | | Newark | NJ | 43055 | |
| Watford III William | Kevin L WeaverWeaver Tidmore LLC | 300 Cahaba Park Cir Ste 200 | | | Birmingham | AL | 35203-3357 | |
| Waverly Subdivision LLC | Jim Gunter and Scott Tidwell Construction Inc | 6010 Victoria Ln | | | PINSON | AL | 35126 | |
| Wayne Adams Betty Adams JT TEN | | 770 Plentywood Ln. | | | Bensenville | IL | 60106 | |
| Wayne C. Gibbs MD & Wife Melanie Kay Gibbs | | 2899 Riddles Bend Rd | | | Rainbow City | AL | 35906 | |
| Wayne Norris Ward | | 103 Timberline | | | Bessemer | AL | 35022 | |
| WB Family Limited Partnership | | 315 Lazy Acres Lane | | | Longwood | FL | 32750 | |
| WEBB LAWANZA MALAKISA | | 915 RICH RD | | | BIRMINGHAM | AL | 35215-5827 | |
| WEBSTER KIMBERLY | | 1712 DIANE ST | | | LEEDS | AL | 35094 | |
| WEEKLEY JOHNNY | | 211 OAK CIR | | | BESSEMER | AL | 35023 | |
| Weissman Jeffrey DDS | c o Wilson F Green EsqBattle Fleenor Green Winn and Clemmer LLP | 1150 Financial Ctr | 505 N 20th St | | Birmingham | AL | 35203 | |
| Wells Fargo Bank | | 1021 E Cary St., 7th Fl. | Two James Center | | Richmond | VA | 23219 | |
| Wells Fargo Bank - Corporate Trust Services | Attn Gavin Wilkinson | 625 Marquette Avenue, 11th Floor | MAC #N9311-115 | | Minneapolis | MN | 55479 | |
| Wells Fargo Bank NA as successor indenture trustee | Gavin C Wilkinson Vice President | MAC N9311 115 | 625 Marquette Ave 11th Fl | | Minneapolis | MN | 55479 | |
| Wells Fargo Bank, National Association, as Indenture Trustee | Attn Eric A. Schaffer, Esq. | Reed Smith, LLP | 225 Fifth Avenue, Suite 1200 | | Pittsburgh | PA | 15222 | |
| Wells Fargo Bank, National Association, as Indenture Trustee | Wells Fargo Bank - Corporate Trust Services | Attn Gavin Wilkinson | 625 Marquette Avenue, 11th Floor | MAC #N9311-115 | Minneapolis | MN | 55479 | |
| Wells Fargo Real Estate Tax Service, LLC | Johnson & Freedman, LLC | 1587 North East Expressway | | | Atlanta | GA | 30329 | |
| Wendell Wayne Carter | | 6422 Ransom Rd. | | | Irondale | AL | 35210 | |
| West Group | | P.O. Box 6292 | | | Carol Stream | IL | 60197-6292 | |
| Western Area Family Branch YMCA | | 1195 Bessemer Rd. | | | Birmingham | AL | 35228 | |
| Western International Sec. Inc | | 1675 SW Marlow Ave Ste 306 | | | Portland | OR | 97225 | |
| White Richard | | 124 16th Ct Cir NE | | | Birmingham | AL | 35215 | |
| Whitley Mack | | 5817 Stone Arbor Pl | | | Pinson | AL | 35126 | |
| Whitney Brooke Ray | | 1114 Summit Pl. | | | Birmingham | AL | 35243 | |
| Whitson Electric, Inc. | | 421 Knight Way | | | Bessemer | AL | 35023 | |
| Wiggins Jacqueline | c o Roger D Burton EsqRoger D Burton PC | Rogers Taylor Manor | 1905 14th Ave S | | Birmingham | AL | 35205 | |
| WILDER SHERRI | | 1279 DAVENPORT CIR | | | KIMBERLY | AL | 35091 | |
| Willam C. Gilmer | c/o Mary Douglas Hawkins, Esq. | Galloway & Scott, LLC | 2200 Woodcrest Pl., Ste. 310 | | Birmingham | AL | 35209 | |
| Willard Meadows Jr | | 7445 Roosevelt Street | | | Leeds | AL | 35094 | |
| Williae Fanette Thompson | c/o Anthony Piazza | P.O. Box 550217 | | | Birmingham | AL | 35255-0217 | |
| William A & Lora J Stovall Trustees for William A & Lora J Stovall Living Trust Dated 1-15-1993 | William Stovall | 2911 E Taneum Rd | | | Thorp | WA | 98946 | |
| William A. Bell | | 308 10th Ave. W | | | Birmingham | AL | 35204 | |
| William A. Robinson Jr | | 842 Overlook Cr | | | Hueytown | AL | 35023 | |
| William B Lloyd | | 3800 Colonnade Pkwy | | | Birmingham | AL | 35243 | |
| William B. Carson | | 4121 Nekoosa Circle | | | Birmingham | AL | 35243 | |
| William B. Winter TR UA 11-20-1970 | William B. Winter | 3450 Riviera Lakes Ct. | | | Bonita Springs | FL | 34134 | |
| William Bush | Associate Regional Counsel | US Environmental Protection Agency Region 4 | Atlanta Federal Center | 61 Forsyth St SW | Atlanta | GA | 30303 | |
| William C Parrish & Marzell R Parrish | | 106 Thames Street | | | Andalusia | AL | 36420 | |
| William C Parrish & Marzell R Parrish | | 106 Thomas Street | | | Andalusia | AL | 36420 | |
| William C Parrish & Marzell R Parrish | Edward Jones | William C Parrish & Marzell R Parrish | PO Box 1699 | | Andalusia | AL | 36420 | |
| William C. Kerr & Catherine A. Ker Living Trust | | 7330 E. Nighthawk Circle | | | Anaheim | CA | 92808 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|--------------------------------|--------------------------------|----------|-----------------|-------|------------|---------|
| William C. Sutton and Nancy W. Sutton JT Rev Trust UAD 8/6/02 William C. Sutton and Nancy W. Sutton Trustees | William C. Sutton & Nancy W. Sutton | 1656 Michelle Manor | | | Danville | IN | 46122-7841 | |
| William Cordell Thomas | | 7672 Dollar Rd | | | Trussville | AL | 35173 | |
| William D. Brown | | 6504 Osceola Cir. | | | Birmingham | AL | 35208 | |
| William D. McAnally | | 2222 Beat Line Road | | | Warrior | AL | 35180 | |
| William E. Kinnell | | 1212 Alabama Ave SW | | | Birmingham | AL | 35211 | |
| William G. Moore | | 2977 Earlytown Rd. | | | Birmingham | AL | 35214 | |
| William G. Salim, Jr., Trustee of the Dennis S. and Patricia M. Aronowitz Charitable Remainder Annuity Trust | William G. Salim, Jr., Trustee | 800 Corporate Drive, Suite 500 | | | Fort Lauderdale | FL | 33334 | |
| William Glen Jackson Jr. | | 444 Crossroads Drive | | | North Augusta | SC | 29841 | |
| William H. and Susan N. Houston Revocable Family Trust Dated Dec 1985 | William H. Houston | 7737 Spanish Bay Drive | | | Las Vegas | NV | 89113 | |
| William H. Brown | | 1845 47th St. | | | Gardendale | AL | 35071 | |
| William H. Fulton | | PO Box 3211 | | | Aiken | SC | 29802 | |
| William J. Smith | | 6070 Swann Rd | | | Mount Olive | AL | 35117 | |
| William Keith Acker | | 15701 Capstone Blvd | | | Brookwood | AL | 35444 | |
| William Kelly Sparacino | | 132 Dogwood Tr. | | | Alabaster | AL | 35007 | |
| William L. Pharris, Jr. | | 2279 Self Creek Rd. | | | Kimberly | AL | 35091 | |
| William M. Dawson, Atty. | | 2229 Morris Ave. | | | Birmingham | AL | 35203 | |
| William M. Glover | | 1761 Stella Lockard Rd | | | Cordova | AL | 35550-5621 | |
| William M. Schuelly | | 6017 Mountainview Trce. | | | Trussville | AL | 35173 | |
| William M. Voigt | | 128 Glenview Dr. | | | Birmingham | AL | 35213 | |
| William N. Buak and Maria C. Buak | William N. Buak | 2727 Debord Drive | | | Wenatchee | WA | 98801 | |
| William P. Thompson | | 1054 Hwy 72 | | | Pelham | AL | 35124 | |
| William P., Jr & Sue T. Whitlock TEN/Com | William P. Whitlock, Jr. | 2906 Parkridge Dr. | | | Birmingham | AL | 35209 | |
| William Pharr | | 883 Westwood Rd. | | | Mt. Olive | AL | 35117 | |
| William Powell Jr. | | 1107 Chapel Creek Dr. | | | Hoover | AL | 35226 | |
| William Powell, Jr. | | 800 Birchall Ln., Apt. 301 | | | Hoover | AL | 35226 | |
| William R. Jaeger and Pamela H. Jaeger | | 38 Circle Drive East | | | Ridgefield | CT | 06877 | |
| William R. Thomas | | 108 Moss St | | | Warrior | AL | 35180 | |
| William Steven Morrow | | 663 Circle Heights Dr. | | | Birmingham | AL | 35214 | |
| William Thomas, next friend of B Thomas | c/o Gathings Law | 2100 3rd Ave. N, Ste. 900 | | | Birmingham | AL | 35203 | |
| William Watford, III | c/o Kevin L. Weaver | Weaver Tidmore, LLC | 300 Cahaba Park Cir., Ste. 200 | | Birmingham | AL | 35242-8100 | |
| William Weinstein & Selma Weinstein | | 7488 W. Mercada Way | | | Delray Beach | FL | 33446 | |
| William Wisnaskas | | 3 Wetherell Way | | | Norton | MA | 02766 | |
| William Woomer | | 3574 W 80th St Unit #201 | | | Hialeah | FL | 33018 | |
| WILLIAMS BELINDA | | 5508 CT O | | | BIRMINGHAM | AL | 35208 | |
| WILLIAMS BRIAN | | 6547 SELF LN | | | PINSON | AL | 35126 | |
| WILLIAMS CAROLYN | | 7005 WESTMORELAND DR | | | FAIRFIELD | AL | 35064 | |
| Williams J. Sarioego | | 6162 Twin Oaks Dr SE | | | Bessemer | AL | 35022-6426 | |
| Williams Kesha D et al | Henry J Walker Jr | 2330 Highland Ave S | | | Birmingham | AL | 35205-2912 | |
| Williams Mary | | c o Phyllis Walker | 4291 Osage Dr | | Birmingham | AL | 35217 | |
| WILLIAMS ROBERT | | 775 PINE MT CIR | | | REMLAP | AL | 35133 | |
| Williams Shirley A | Jaffe and Erdberg PC Suite 817 | Frank Nelson Building | 205 20th St N | | Birmingham | AL | 35203 | |
| Willie A. Stroud | | 7809 Summer Cir. | | | Morris | AL | 35116 | |
| Willie B. White | | 912 5th Place W | | | Birmingham | AL | 35204 | |
| Willie C. Lewis | | 4709 Ave. S, Ensley | | | Birmingham | AL | 35208 | |
| Willie E. Hill III | | 9566 Pharris Ln. | | | Kimberly | AL | 35091 | |
| Willie E. Hill, Jr. | | 1120 Hampton Dr. | | | Morris | AL | 35116 | |
| Willie L. Johnson Jr | | 4206 5th Ave S Apt 6 | | | Birmingham | AL | 35222 | |
| Willie Mae Kinion | | 1301 6th Place | | | Birmingham | AL | 35214 | |
| Willie Rogers Jr | | 5421 Wintergreen Ave | | | Birmingham | AL | 35228 | |
| Willis Niel Purcell | | 533 Main St. | | | Warrior | AL | 35180 | |
| WILLOW GLEN LLC | | 14 OFFICE PARK CIR STE 260 | | | BIRMINGHAM | AL | 35223 | |
| Willow Glenn LLC | | 15 OFFICE PARK CIR STE 260 | | | BIRMINGHAM | AL | 35224 | |
| Wilma R. Newcomb | | 7045 Lawford Road | | | Knoxville | TN | 37919-7459 | |
| Wilson Charles E | c o Katherine S Harrington Esq Hollis and Wright | 505 20th St N Ste 1500 | | | Birmingham | AL | 35203 | |
| Wilson Green | Fleenor and Green, LLP | 204 Marina Drive, Ste 200 | | | Tuscaloosa | AL | 35406 | |
| Wilson Green | Fleenor and Green, LLP | 204 Marina Drive, Ste 200 | | | Tuscaloosa | AL | 35406 | |
| Wilson Ophthalmic Corp | | P.O. Box 676101 | | | Dallas | TX | 75267-6101 | |
| Wilson R. Kennedy | | 838 Kennedy Rd | | | Gardendale | AL | 35071 | |
| Windstream Corp. | | P.O. Box 9001908 | | | Louisville | KY | 40290 | |
| Wingfoot Commercial Tire | | 506 10th St. S | | | Birmingham | AL | 35233 | |
| Winston & Strawn LLP | Attn Lawrence A. Larose | 200 Park Avenue | | | New York | NY | 10166 | |
| Winston Raymond C et al | Edgar C Gentle III Gentle Turner and Sexton | 510 Riverchase Pkwy E Ste 100 | | | Hoover | AL | 35244-1834 | |
| Witherspoon Joyce | | 629 Yellowbird Ln | | | Hueytown | AL | 35023 | |

Creditor Matrix

| CreditorName | CreditorNoticeName | Address1 | Address2 | Address3 | City | State | Zip | Country |
|--|--|------------------------------------|------------------------------|----------|--------------|-------|------------|---------|
| Working Patricia | c o Albert L Jordan EsqWallace Jordan Ratliff and Brandt LLC | PO Box 530910 | | | Birmingham | AL | 35253 | |
| Wright Octavia | | c o Robin Wright | 3408 Hickory Ave SW | | Birmingham | AL | 35211 | |
| WTTO-TV | | 651 Beacon Pkwy. W, Ste. 105 | | | Birmingham | AL | 35209 | |
| WYNNE BRIDGET D | | 6300 HARNESS WAY | | | PINSON | AL | 35126-4498 | |
| Xerox Corporation | | P.O. Box 650361 | | | Dallas | TX | 75265-0361 | |
| XL Capital Assurance, Inc. | | 1221 Ave. of the Americas | | | New York | NY | 10020 | |
| Yamileth Z. Hoyos Revocable Trust | | P.O. Box 340070 | | | Tampa | FL | 33694 | |
| Yates Julie | | 489 Starnes Chapel Rd | | | Blountsville | AL | 35031 | |
| Yolanda B. Bowie | | 9540 Eastpointe Cir. | | | Birmingham | AL | 35217 | |
| Yolanda Jeanette Lett | | 324 15th Ave. W | | | Birmingham | AL | 35204 | |
| Yolanda Louise Sutton | | 806 Meadow Dr | | | Birmingham | AL | 35242-5374 | |
| Yolanda Miller | | 4329 41st Ave. N | | | Birmingham | AL | 35217 | |
| Youssef N. Youssef and Ruth A. Youssef | | 5718 Hazel Alder Way | | | Katy | TX | 77494 | |
| Youth In Aging Inc. | | 5270 Cornell Dr. | | | Irondale | AL | 35210 | |
| Yvette D. Long | | 507 Crowne Woods Dr. | | | Hoover | AL | 35244 | |
| Yvette R. Hill | | 932 Martinwood Lane | | | Birmingham | AL | 35235 | |
| Yvonna Roper | | 1434 31st Street Ensley | | | Birmingham | AL | 35218 | |
| Yvonne A. Blair | | 7140 Pinetree Ln. | | | Fairfield | AL | 35064 | |
| Yvonne D. Slaughter | | 535 Oregon Street | | | Birmingham | AL | 35224 | |
| YWCA Birmingham | | 309 N 23rd St. | | | Birmingham | AL | 35023 | |
| Zaida S. Jones | | 4748 Woodland Forest Drive | | | Tuscaloosa | AL | 35405 | |
| Zhaleh McCullers | c/o Abigail P. van Alstyne, Esq. | Quinn, Walls, Weaver & Davies, LLP | 2700 Hwy. 280, Ste 3800 East | | Birmingham | AL | 35223 | |
| Zhou Sharon | | 30 Port Royal Ave | | | Foster City | CA | 94404-3581 | |
| Zoeleika J. Lawson | | 618 Ave Y | | | Birmingham | AL | 35214 | |

Exhibit U

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit V

Ballot Notice Parties

| Creditor Name | Creditor Notice Name | Address 1 | Address 2 | Address 3 | City | State | Zip |
|---|----------------------------------|---|----------------------------|---------------|----------------|-------|------------|
| Ambac Assurance Corporation | McDermott Will & Emery LLP | Gregory A. Kopacz | 340 Madison Avenue | | New York | NY | 10173-1922 |
| Ambac Assurance Corporation | Ambac Assurance Corporation | Attn Dwight Kwa | One State Street Plaza | | New York | NY | 10004 |
| B.A.S.L.L.P. | B.A.S.L.L.P. | Fuad Shunnarah | 413 Vesclub Drive | | Vestavia Hills | AL | 35216 |
| Beers Properties, LLC | Beers Properties LLC | Greg Beers | Ste 400 2100 Data Park Dr | | Birmingham | AL | 35244 |
| Bernice Averhart | Perry Shuttlesworth | 19 Richard Arrington, Jr. Blvd., North | | | Birmingham | AL | 35203 |
| Ceres Environmental Services Inc | Ceres Environmental Services Inc | Troy Garrett, President | 3825 85th Ave N | | Brooklyn Park | MN | 55443 |
| City of Leeds, Alabama | City of Leeds, Alabama | C. Ellis Brazeal III | Jones Walker | PO Box 830642 | Birmingham | AL | 35283-0642 |
| City of Leeds, Alabama | Jones Walker | C. Ellis Brazeal III | 1819 5th Avenue North | Suite 1100 | Birmingham | AL | 35203 |
| CSX Transportation, Inc. | CSX Transportation | Vickje J. Friedman | 500 Water Street | | Jacksonville | FL | 32202 |
| High, Steve | AAA Insurance | P.O. Box 66502 | | | St. Louis | MO | 63166 |
| J.P. Morgan Securities LLC, relating to Warrant Agreements and Remarketing Agreements | Simpson Thacher & Bartlett LLP | Attn Steven M. Fuhrman, Esq and Elisha D. Graff, Esq. | 425 Lexington Avenue | | New York | NY | 10017 |
| James Pruitt | Larry Mann | 215 N. 21st St #701 | | | Birmingham | AL | 35203 |
| KELLY, SHIRLEY M. | Lee Law Firm | Brandy M. Lee | 2100 1st Ave. N., Ste. 600 | | Birmingham | AL | 35203 |
| Morrison Ricky | Timothy L. Arnold | Attorney at Law, Inc. | 1823 3rd Avenue N | | Bessemer | AL | 35020 |
| Pauline Ozley | Bains and Terry | Jon B. Terry | 1813 Third Avenue North | | Bessemer | AL | 35020 |
| PRUITT ERIC RAYMOND | Bite Bite & Marlow | Attn Richard H Bite | 2001 Park Place Tower | Suite 860 | Birmingham | AL | 35203 |
| Regina Nash | Lee Law Firm | Brandy M. Lee | 2100 1st Ave. N., Ste. 600 | | Birmingham | AL | 35203 |
| Wells Fargo Real Estate Tax Service, LLC | Johnson & Freedman, LLC | 1587 North East Expressway | | | Atlanta | GA | 30329 |

Exhibit W



**In re: Jefferson County, Alabama, a political subdivision of the State of Alabama
Chapter 9 Case No. 11-05736 (TBB)**

Dear Holder of an Impaired Claim:

Jefferson County, Alabama (the "County") is pleased to present the enclosed Solicitation Package for your consideration.

**YOU ARE RECEIVING THIS LETTER BECAUSE YOU ARE
ENTITLED TO VOTE ON THE PLAN (AS DEFINED BELOW)**

By order dated August 7, 2013, the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court") approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time, the "Disclosure Statement"), filed by the County, and authorized the County to solicit votes with respect to the approval or rejection of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the "Plan").¹

You have received this letter and the enclosed Solicitation Package materials because you are entitled to vote on the Plan.

In the opinion of the County, the Plan is preferable to the alternatives described in the enclosed Disclosure Statement. **Accordingly, the County recommends that holders of Impaired Claims entitled to vote on the Plan support confirmation of the Plan and vote to accept the Plan by timely completing and returning the enclosed Ballot.**

**THE COUNTY STRONGLY URGES YOU TO PROPERLY AND
TIMELY CAST YOUR BALLOT TO ACCEPT THE PLAN**

In addition to this cover letter, you have received the enclosed materials, referred to as the "Solicitation Package," which the Bankruptcy Court approved for distribution in connection with the solicitation of votes to accept the Plan, and which consist of the following:

¹ All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to those Defined Terms in the Plan.

- (i) the Confirmation Hearing Notice;
- (ii) the Disclosure Statement, as approved by the Bankruptcy Court (with all exhibits, including the Plan) in electronic format on a CD-ROM; and
- (iii) an appropriate Ballot (together with detailed voting instructions and a postage prepaid, pre-addressed return envelope).

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, if you received Solicitation Package materials in CD-ROM format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may contact the County's Claims and Noticing Agent and Ballot Tabulator, Kurtzman Carson Consultants LLC ("KCC") by: (a) calling by telephone at (866) 967-0677; (b) visiting the County's restructuring website at <http://www.jeffersoncountyrestructuring.com>; and/or (c) writing to KCC at Jefferson County Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245. Copies any pleadings filed in the County's Chapter 9 case are also available for review and download at the Bankruptcy Court's website, www.alnb.uscourts.gov. Alternatively, these documents may be accessed through the Bankruptcy Court's "PACER" website, <https://ecf.alnb.uscourts.gov>. A PACER password and login are needed to access documents on the Court's "PACER" website. A PACER password can be obtained at <http://www.pacer.gov>.

Exhibit X



MEMORANDUM

Date: August 21, 2013
From: Kurtzman Carson Consultants LLC, Balloting Agent for the Debtor
Re: Jefferson County, Alabama
Chapter 9 No. 11-05736-TBB

To whom it may concern:

Please note that the enclosed materials do not include a ballot. If you represent a creditor entitled to vote to accept or reject the Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013), the ballot was sent to the creditor's address as reflected in either the Schedules of Liabilities or a timely filed proof of claim.

If you have any additional questions regarding this Solicitation Package, please contact the Balloting Agent at 866-967-0677 or [visit www.kccllc.net/jeffersoncounty](http://www.kccllc.net/jeffersoncounty).

Exhibit A

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit B

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit C

**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. |) | |

**NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) CONFIRMATION
HEARING ON CHAPTER 9 PLAN OF ADJUSTMENT, AND (III) PROCEDURES AND
DEADLINES REGARDING CONFIRMATION OF THE PLAN**

PLEASE TAKE NOTICE THAT:

1. **Approval of Disclosure Statement.** By order dated August 7, 2013, the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the “Bankruptcy Court”) approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”), filed by Jefferson County, Alabama (the “County”), and authorized the County to solicit votes with respect to the approval or rejection of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the “Plan”).¹

2. **Confirmation Hearing.** A HEARING (THE “**CONFIRMATION HEARING**”) TO CONSIDER CONFIRMATION OF THE PLAN WILL BE HELD ON NOVEMBER 12, 2013 AT 9:00 A.M. (PREVAILING CENTRAL TIME), BEFORE THE HONORABLE THOMAS B. BENNETT, UNITED STATES BANKRUPTCY JUDGE, IN THE BANKRUPTCY COURT, ROBERT S. VANCE FEDERAL BUILDING, 1800 5TH AVENUE NORTH, BIRMINGHAM, ALABAMA 35203.

The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the County in open court of the adjourned date(s) at the Confirmation Hearing or any continued hearing, and the Plan may be amended, supplemented, or modified, if necessary, prior to, during, or as a result of the Confirmation Hearing in accordance with the terms of the Plan and Bankruptcy Code section 942, without further notice to interested parties.

3. **Objections to the Plan.** Objections, if any, to the confirmation of the Plan must (i) be in writing; (ii) be in the English language; (iii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (iv) state with particularity the basis and nature of any objection to the Plan; (v) include any evidence in support of any objection; and (vi) be filed, together with proof of service, with the Bankruptcy Court and served on the County and all parties on the Master Service List, as that term is defined in the *Order*

¹ All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Plan.

Approving Motion to Establish Notice, Service, and Case Management Procedures Pursuant to Sections 102(1)(A) and 105 of the Bankruptcy Code, and Bankruptcy Rule 2002(m) [Docket No. 89], as such Master Service List is filed from time to time in the Case and available at <http://www.jeffersoncountyrestructuring.com> through the link to “Master Service List” (collectively, the “Master Service List Parties”), so that they are actually received no later than **October 7, 2013 at 4:00 p.m. (prevailing Central time)**.

IF ANY OBJECTION TO CONFIRMATION OF THE PLAN IS NOT FILED AND SERVED STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY WILL BE BARRED FROM OBJECTING TO CONFIRMATION OF THE PLAN AND WILL NOT BE HEARD AT THE CONFIRMATION HEARING.

4. **Additional Information.** Any party in interest wishing to obtain copies of the Plan or Disclosure Statement contact the County’s Claims and Noticing Agent and Ballot Tabulator, Kurtzman Carson Consultants LLC (“KCC”), at <http://www.jeffersoncountyrestructuring.com>. In addition, copies of the Disclosure Statement and Plan are available upon request by contacting KCC at Jefferson County Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245 or by telephone at (866) 967-0677. Copies of the Plan and the Disclosure Statement are also available for review and download at the Bankruptcy Court’s website, www.alnb.uscourts.gov. Alternatively, these documents may be accessed through the Bankruptcy Court’s “PACER” website, <https://ecf.alnb.uscourts.gov>. A PACER password and login are needed to access documents on the Court’s “PACER” website. A PACER password can be obtained at <http://www.pacer.gov>.

5. **Releases and Injunction Language in the Plan.** As set forth in Sections 6.2 and 6.3 of the Plan, the Plan provides for, among others, the following releases and injunctions:

Section 6.2. Discharge and Injunctions.

The rights afforded in the Plan and the treatment of all Claims by the Plan shall be in exchange for and in complete settlement, satisfaction, discharge, and release of, and injunction against, all Claims of any nature whatsoever arising prior to the Effective Date against the County or its property, including any interest accrued on such Claims from and after the Petition Date.

Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, (a) the County and its property are discharged and released to the fullest extent permitted by Bankruptcy Code section 944(b) from all Claims and rights that arose before the Effective Date, including all debts, obligations, demands, and liabilities, and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h), or 502(i), regardless whether (i) a proof of Claim based on such debt is Filed or deemed Filed, (ii) a Claim based on such debt is allowed pursuant to Bankruptcy Code section 502, or (iii) the holder of a Claim based on such debt has or has not accepted the Plan; (b) any judgment underlying a Claim discharged hereunder is void; and (c) all Persons are precluded from asserting against the County or its property, whether directly or on behalf of the County, any Claims or rights based on any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

Except as otherwise provided in the Plan or the Confirmation Order, on and after the Effective Date, all Persons who have held, currently hold, or may hold a Claim

that is based on any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, that otherwise arose or accrued prior to the Effective Date, or that otherwise is discharged pursuant to the Plan, are permanently and completely enjoined from taking any of the following actions on account of any such discharged Claim (the “Permanent Injunction”): (a) commencing, conducting, or continuing in any manner any suit, action, or other proceeding of any kind against or affecting the County, its property, its obligations, or any of its Related Parties that is inconsistent with the Plan or the Confirmation Order; (b) attaching, collecting, enforcing, levying, or otherwise recovering in any manner any award, decree, judgment, or order against or affecting the County, its property, its obligations, or any of its Related Parties other than as expressly permitted under the Plan; (c) creating, perfecting, or otherwise enforcing in any manner any lien or encumbrance of any kind against or affecting property of the County, other than as expressly permitted under the Plan; (d) asserting any right of recoupment, setoff, or subrogation of any kind against any obligation due to the County with respect to any such discharged Claim, except as otherwise permitted by Bankruptcy Code section 553; (e) acting or proceeding in any manner, in any place whatsoever, that does not comply with or is inconsistent with the provisions of the Plan, the Confirmation Order, or the discharge provisions of Bankruptcy Code section 944; and (f) taking any actions to interfere with the implementation or consummation of the Plan. The County and any other Person injured by any willful violation of the Permanent Injunction shall recover actual damages, including costs, expenses, and attorneys’ fees, and, in appropriate circumstances, may recover punitive damages, from the willful violator.

Except as otherwise provided in the Plan, all injunctions or stays in effect in the Case under Bankruptcy Code sections 105, 362(a), or 922(a), or otherwise, on the Confirmation Date shall remain in full force and effect through and including the Effective Date.

Section 6.3. 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) Necessity and Approval of Releases and Injunctions.

The releases and injunctions set forth in this Section 6.3 are integral and critical parts of the Plan and the settlements implemented pursuant to the Plan, the approval of such releases pursuant to the Confirmation Order is a condition to the occurrence of the Effective Date, and all Sewer Released Parties have relied on the efficacy and conclusive effects of such releases and injunctions and on the Bankruptcy Court's retention of jurisdiction to enforce such releases and injunctions when making concessions pursuant to the Plan and by agreeing to, accepting, and supporting the settlement and treatment of their respective Claims, Causes of Action, and other rights under the Plan.

Pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases and injunctions set forth in this Section 6.3, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such releases and injunctions are: (1) in exchange for the good and valuable consideration provided by the Sewer Released Parties and their respective Related Parties; (2) a good faith settlement and compromise of the Claims and Causes of Action released by such releases; (3) in the best interests of the County and all Creditors; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the releasing parties as set forth herein asserting any Claims or Causes of Action released pursuant to such release.

6. **Validation of the New Sewer Warrants, the Approved Rate Structure, and the Allowance of Sewer Debt Claims.** As set forth in Sections 5.10, 5.11, and 5.12 of the Plan, the Plan provides for the Bankruptcy Court to make binding judicial determinations and validations of the New Sewer Warrants to be issued under the Plan, of the associated Approved Rate Structure and Rate Resolution, and of the allowance of certain Sewer Debt Claims under the Plan. More specifically,

- Section 5.10 of the Plan provides that, pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6), from and after the Effective Date, confirmation of the Plan

shall be a binding judicial determination that the New Sewer Warrants, the New Sewer Warrant Indenture, the Rate Resolution, and the covenants made by the County for the benefit of the holders thereof (including the revenue and rate covenants in the New Sewer Warrant Indenture) will constitute valid, binding, legal, and enforceable obligations of the County under Alabama law and that the provisions made to pay or secure payment of such obligations are valid, binding, legal, and enforceable security interests or liens on or pledges of revenues, which validation will be set forth in the Confirmation Order in substantially the form set forth in the Plan.

- Section 5.11 of the Plan provides that, pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6), from and after the Effective Date, the Confirmation Order shall be a binding judicial determination that (i) the Approved Rate Structure is a valid provision made to pay or secure payment of the New Sewer Warrants and is appropriate, reasonable, non-discriminatory, and legally binding on and specifically enforceable against the County, in accordance with the Plan and under applicable law; and (ii) the County Commission shall adopt and maintain the Approved Rate Structure in accordance with the Rate Resolution and as necessary for the County to satisfy the obligations arising under the New Sewer Warrants and the New Sewer Warrant Indenture (and to otherwise comply with all applicable state and federal laws regarding the maintenance and operation of the Sewer System), including increases in sewer rates to the extent necessary to allow the timely satisfaction of the County's obligations under the New Sewer Warrants and the New Sewer Warrant Indenture (and to otherwise comply with all applicable state and federal laws regarding the maintenance and operation of the Sewer System). Without limitation, from and after the Effective Date, (a) the Confirmation Order shall constitute a consent decree binding upon, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan; (b) the validity and enforceability of the Approved Rate Structure and the Rate Resolution shall not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date; and (c) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the Approved Rate Structure and the Rate Resolution, to require the County to otherwise comply with the New Sewer Warrants and the New Sewer Warrant Indenture, and to hear and adjudicate any action or proceeding enforcing, challenging, or collaterally attacking the Approved Rate Structure or the Rate Resolution.

- Section 5.12 of the Plan provides that confirmation of the Plan shall be a binding judicial determination that the allowance on the Effective Date of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D is appropriate and binding on, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan, because, among other things, the allowance of such Claims, along with treatment of those Allowed Claims under the Plan, is a necessary predicate to the issuance of the New Sewer Warrants. This validation under the Plan will be full, final, complete, binding, and conclusive as to the County and all Persons, including all Persons that could assert or purport to assert any rights by or on behalf of the County. Accordingly, the validity and enforceability of the allowance of the Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D along with the treatment of those Allowed Claims under the Plan, shall (i) moot any pending Causes of Action challenging the validity or enforceability of the Sewer Warrants or the issuance thereof, payments of principal and interest made in respect of the Sewer Warrants, or any Sewer System rates or charges established or collected by the County in connection with the issuance or the payment of debt service in respect of the Sewer Warrants, or seeking the return to the County of any payment made by the County in connection with the Sewer Warrants or any financing or

other transaction regarding the Sewer System; and (ii) not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date.

Each of these judicial determinations and validations under the Plan will be full, final, complete, binding, and conclusive as to the County and all Persons, including all Persons that could assert or purport to assert any rights by or on behalf of the County. Accordingly, and without limitation, (a) the Confirmation Order shall constitute a consent decree binding upon, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan; (b) the validity and enforceability of the Approved Rate Structure, the Rate Resolution, the New Sewer Warrants, the New Sewer Warrant Indenture, the covenants made by the County for the benefit of the holders of the New Sewer Warrants (including the revenue and rate covenants in the New Sewer Warrant Indenture), the allowance of the Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D and the treatment of those Allowed Claims under the Plan shall not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date; and (c) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the Approved Rate Structure and the Rate Resolution, to require the County to otherwise comply with the New Sewer Warrants and the New Sewer Warrant Indenture, and to hear and adjudicate any action or proceeding enforcing, challenging, or collaterally attacking the Approved Rate Structure or the Rate Resolution and/or the allowance of the Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D, along with the treatment of those Allowed Claims under the Plan.

DATED: September 16, 2013

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

| | | |
|--|---|---|
| <p>In re:</p> <p>JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama,</p> <p style="text-align: center;">Debtor.</p> <hr style="width: 30%; margin-left: 0;"/> | <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> | <p>Case No. 11-05736-TBB</p> <p>Chapter 9</p> |
|--|---|---|

SUPPLEMENTAL AFFIDAVIT OF SERVICE (REDACTED)

I, Stephanie Delgado, a non-attorney, certify that on September 26, 2013, I caused to be served per postal forwarding address the following document via First-Class Mail upon the service lists attached hereto as **Exhibits A, B and C** which have been redacted in accordance with the Court's Final Order Granting Debtor's Motion Pursuant to 11 U.S.C. §§105 and 107(c) for Entry of an Order on an Expedited Basis Restricting Access to Information about Certain Individual Creditors [**Docket No. 915**]:

- Notice of (I) Approval of Disclosure Statement, (II) Confirmation Hearing On Chapter 9 Plan of Adjustment, and (III) Procedures and Deadlines Regarding Confirmation of The Plan, a copy of which is attached hereto as **Exhibit D**

Dated: September 27, 2013

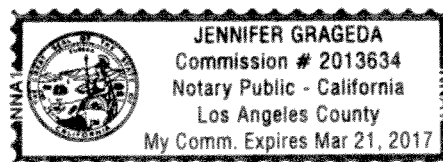
By: 
 Kurtzman Carson Consultants LLC
 Claims and Noticing Agent
 2335 Alaska Avenue
 El Segundo, CA 90245
 Telephone: (310) 823-9000

State of California, County of Los Angeles

Subscribed and sworn to before me on September 27, 2013, by Stephanie Delgado, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: 
 Notary Public



C.399



1105736131007000000000007

Exhibit A

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit B

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit C

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit D

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.)

NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) CONFIRMATION
HEARING ON CHAPTER 9 PLAN OF ADJUSTMENT, AND (III) PROCEDURES AND
DEADLINES REGARDING CONFIRMATION OF THE PLAN

PLEASE TAKE NOTICE THAT:

1. **Approval of Disclosure Statement.** By order dated August 7, 2013, the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court") approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time, the "Disclosure Statement"), filed by Jefferson County, Alabama (the "County"), and authorized the County to solicit votes with respect to the approval or rejection of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the "Plan").¹

2. **Confirmation Hearing.** A HEARING (THE "CONFIRMATION HEARING") TO CONSIDER CONFIRMATION OF THE PLAN WILL BE HELD ON NOVEMBER 12, 2013 AT 9:00 A.M. (PREVAILING CENTRAL TIME), BEFORE THE HONORABLE THOMAS B. BENNETT, UNITED STATES BANKRUPTCY JUDGE, IN THE BANKRUPTCY COURT, ROBERT S. VANCE FEDERAL BUILDING, 1800 5TH AVENUE NORTH, BIRMINGHAM, ALABAMA 35203.

The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the County in open court of the adjourned date(s) at the Confirmation Hearing or any continued hearing, and the Plan may be amended, supplemented, or modified, if necessary, prior to, during, or as a result of the Confirmation Hearing in accordance with the terms of the Plan and Bankruptcy Code section 942, without further notice to interested parties.

3. **Objections to the Plan.** Objections, if any, to the confirmation of the Plan must (i) be in writing; (ii) be in the English language; (iii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (iv) state with particularity the basis and nature of any objection to the Plan; (v) include any evidence in support of any objection; and (vi) be filed, together with proof of service, with the Bankruptcy Court and served on the County and all parties on the Master Service List, as that term is defined in the *Order*

¹ All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Plan.

Approving Motion to Establish Notice, Service, and Case Management Procedures Pursuant to Sections 102(1)(A) and 105 of the Bankruptcy Code, and Bankruptcy Rule 2002(m) [Docket No. 89], as such Master Service List is filed from time to time in the Case and available at <http://www.jeffersoncountyrestructuring.com> through the link to "Master Service List" (collectively, the "Master Service List Parties"), so that they are actually received no later than **October 7, 2013 at 4:00 p.m. (prevailing Central time)**.

IF ANY OBJECTION TO CONFIRMATION OF THE PLAN IS NOT FILED AND SERVED STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY WILL BE BARRED FROM OBJECTING TO CONFIRMATION OF THE PLAN AND WILL NOT BE HEARD AT THE CONFIRMATION HEARING.

4. **Additional Information.** Any party in interest wishing to obtain copies of the Plan or Disclosure Statement contact the County's Claims and Noticing Agent and Ballot Tabulator, Kurtzman Carson Consultants LLC ("KCC"), at <http://www.jeffersoncountyrestructuring.com>. In addition, copies of the Disclosure Statement and Plan are available upon request by contacting KCC at Jefferson County Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245 or by telephone at (866) 967-0677. Copies of the Plan and the Disclosure Statement are also available for review and download at the Bankruptcy Court's website, www.alnb.uscourts.gov. Alternatively, these documents may be accessed through the Bankruptcy Court's "PACER" website, <https://ecf.alnb.uscourts.gov>. A PACER password and login are needed to access documents on the Court's "PACER" website. A PACER password can be obtained at <http://www.pacer.gov>.

5. **Releases and Injunction Language in the Plan.** As set forth in Sections 6.2 and 6.3 of the Plan, the Plan provides for, among others, the following releases and injunctions:

Section 6.2. Discharge and Injunctions.

The rights afforded in the Plan and the treatment of all Claims by the Plan shall be in exchange for and in complete settlement, satisfaction, discharge, and release of, and injunction against, all Claims of any nature whatsoever arising prior to the Effective Date against the County or its property, including any interest accrued on such Claims from and after the Petition Date.

Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, (a) the County and its property are discharged and released to the fullest extent permitted by Bankruptcy Code section 944(b) from all Claims and rights that arose before the Effective Date, including all debts, obligations, demands, and liabilities, and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h), or 502(i), regardless whether (i) a proof of Claim based on such debt is Filed or deemed Filed, (ii) a Claim based on such debt is allowed pursuant to Bankruptcy Code section 502, or (iii) the holder of a Claim based on such debt has or has not accepted the Plan; (b) any judgment underlying a Claim discharged hereunder is void; and (c) all Persons are precluded from asserting against the County or its property, whether directly or on behalf of the County, any Claims or rights based on any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

Except as otherwise provided in the Plan or the Confirmation Order, on and after the Effective Date, all Persons who have held, currently hold, or may hold a Claim

that is based on any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, that otherwise arose or accrued prior to the Effective Date, or that otherwise is discharged pursuant to the Plan, are permanently and completely enjoined from taking any of the following actions on account of any such discharged Claim (the "Permanent Injunction"): (a) commencing, conducting, or continuing in any manner any suit, action, or other proceeding of any kind against or affecting the County, its property, its obligations, or any of its Related Parties that is inconsistent with the Plan or the Confirmation Order; (b) attaching, collecting, enforcing, levying, or otherwise recovering in any manner any award, decree, judgment, or order against or affecting the County, its property, its obligations, or any of its Related Parties other than as expressly permitted under the Plan; (c) creating, perfecting, or otherwise enforcing in any manner any lien or encumbrance of any kind against or affecting property of the County, other than as expressly permitted under the Plan; (d) asserting any right of recoupment, setoff, or subrogation of any kind against any obligation due to the County with respect to any such discharged Claim, except as otherwise permitted by Bankruptcy Code section 553; (e) acting or proceeding in any manner, in any place whatsoever, that does not comply with or is inconsistent with the provisions of the Plan, the Confirmation Order, or the discharge provisions of Bankruptcy Code section 944; and (f) taking any actions to interfere with the implementation or consummation of the Plan. The County and any other Person injured by any willful violation of the Permanent Injunction shall recover actual damages, including costs, expenses, and attorneys' fees, and, in appropriate circumstances, may recover punitive damages, from the willful violator.

Except as otherwise provided in the Plan, all injunctions or stays in effect in the Case under Bankruptcy Code sections 105, 362(a), or 922(a), or otherwise, on the Confirmation Date shall remain in full force and effect through and including the Effective Date.

Section 6.3. 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) Necessity and Approval of Releases and Injunctions.

The releases and injunctions set forth in this Section 6.3 are integral and critical parts of the Plan and the settlements implemented pursuant to the Plan, the approval of such releases pursuant to the Confirmation Order is a condition to the occurrence of the Effective Date, and all Sewer Released Parties have relied on the efficacy and conclusive effects of such releases and injunctions and on the Bankruptcy Court's retention of jurisdiction to enforce such releases and injunctions when making concessions pursuant to the Plan and by agreeing to, accepting, and supporting the settlement and treatment of their respective Claims, Causes of Action, and other rights under the Plan.

Pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases and injunctions set forth in this Section 6.3, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such releases and injunctions are: (1) in exchange for the good and valuable consideration provided by the Sewer Released Parties and their respective Related Parties; (2) a good faith settlement and compromise of the Claims and Causes of Action released by such releases; (3) in the best interests of the County and all Creditors; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the releasing parties as set forth herein asserting any Claims or Causes of Action released pursuant to such release.

6. **Validation of the New Sewer Warrants, the Approved Rate Structure, and the Allowance of Sewer Debt Claims.** As set forth in Sections 5.10, 5.11, and 5.12 of the Plan, the Plan provides for the Bankruptcy Court to make binding judicial determinations and validations of the New Sewer Warrants to be issued under the Plan, of the associated Approved Rate Structure and Rate Resolution, and of the allowance of certain Sewer Debt Claims under the Plan. More specifically,

- Section 5.10 of the Plan provides that, pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6), from and after the Effective Date, confirmation of the Plan

shall be a binding judicial determination that the New Sewer Warrants, the New Sewer Warrant Indenture, the Rate Resolution, and the covenants made by the County for the benefit of the holders thereof (including the revenue and rate covenants in the New Sewer Warrant Indenture) will constitute valid, binding, legal, and enforceable obligations of the County under Alabama law and that the provisions made to pay or secure payment of such obligations are valid, binding, legal, and enforceable security interests or liens on or pledges of revenues, which validation will be set forth in the Confirmation Order in substantially the form set forth in the Plan.

- Section 5.11 of the Plan provides that, pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6), from and after the Effective Date, the Confirmation Order shall be a binding judicial determination that (i) the Approved Rate Structure is a valid provision made to pay or secure payment of the New Sewer Warrants and is appropriate, reasonable, non-discriminatory, and legally binding on and specifically enforceable against the County, in accordance with the Plan and under applicable law; and (ii) the County Commission shall adopt and maintain the Approved Rate Structure in accordance with the Rate Resolution and as necessary for the County to satisfy the obligations arising under the New Sewer Warrants and the New Sewer Warrant Indenture (and to otherwise comply with all applicable state and federal laws regarding the maintenance and operation of the Sewer System), including increases in sewer rates to the extent necessary to allow the timely satisfaction of the County's obligations under the New Sewer Warrants and the New Sewer Warrant Indenture (and to otherwise comply with all applicable state and federal laws regarding the maintenance and operation of the Sewer System). Without limitation, from and after the Effective Date, (a) the Confirmation Order shall constitute a consent decree binding upon, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan; (b) the validity and enforceability of the Approved Rate Structure and the Rate Resolution shall not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date; and (c) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the Approved Rate Structure and the Rate Resolution, to require the County to otherwise comply with the New Sewer Warrants and the New Sewer Warrant Indenture, and to hear and adjudicate any action or proceeding enforcing, challenging, or collaterally attacking the Approved Rate Structure or the Rate Resolution.

- Section 5.12 of the Plan provides that confirmation of the Plan shall be a binding judicial determination that the allowance on the Effective Date of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D is appropriate and binding on, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan, because, among other things, the allowance of such Claims, along with treatment of those Allowed Claims under the Plan, is a necessary predicate to the issuance of the New Sewer Warrants. This validation under the Plan will be full, final, complete, binding, and conclusive as to the County and all Persons, including all Persons that could assert or purport to assert any rights by or on behalf of the County. Accordingly, the validity and enforceability of the allowance of the Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D along with the treatment of those Allowed Claims under the Plan, shall (i) moot any pending Causes of Action challenging the validity or enforceability of the Sewer Warrants or the issuance thereof, payments of principal and interest made in respect of the Sewer Warrants, or any Sewer System rates or charges established or collected by the County in connection with the issuance or the payment of debt service in respect of the Sewer Warrants, or seeking the return to the County of any payment made by the County in connection with the Sewer Warrants or any financing or

other transaction regarding the Sewer System; and (ii) not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date.

Each of these judicial determinations and validations under the Plan will be full, final, complete, binding, and conclusive as to the County and all Persons, including all Persons that could assert or purport to assert any rights by or on behalf of the County.

Accordingly, and without limitation, (a) the Confirmation Order shall constitute a consent decree binding upon, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan; (b) the validity and enforceability of the Approved Rate Structure, the Rate Resolution, the New Sewer Warrants, the New Sewer Warrant Indenture, the covenants made by the County for the benefit of the holders of the New Sewer Warrants (including the revenue and rate covenants in the New Sewer Warrant Indenture), the allowance of the Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D and the treatment of those Allowed Claims under the Plan shall not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date; and (c) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the Approved Rate Structure and the Rate Resolution, to require the County to otherwise comply with the New Sewer Warrants and the New Sewer Warrant Indenture, and to hear and adjudicate any action or proceeding enforcing, challenging, or collaterally attacking the Approved Rate Structure or the Rate Resolution and/or the allowance of the Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D, along with the treatment of those Allowed Claims under the Plan.

DATED: September 16, 2013

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

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

SUPPLEMENTAL AFFIDAVIT OF SERVICE (REDACTED)

I, Stephanie Delgado, depose and say under the penalty of perjury:

1. I am employed by Kurtzman Carson Consultants LLC (“KCC”), the balloting agent (“the “Balloting Agent”) for Jefferson County, Alabama (the “County”), the debtor in the above-referenced case. My business address is 2335 Alaska Avenue, El Segundo, California, 90245. I am over the age of 18 and not a party to this action. Except as otherwise noted, I could and would testify to the following based upon my personal knowledge. I submit this Supplemental Affidavit in connection with the service of Solicitation Packages (as defined herein) for the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1911**] (the “Plan”).
2. On August 7, 2013, the Court entered its *Order Approving: (A) the "Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)"; and (B) Related Disclosure Statement Procedures, Deadlines, and Notices* [**Docket No. 1974**] (the “Disclosure Statement Order”) and *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* [**Docket No. 1975**] (the “Solicitation Procedures Order”).¹
3. As the County’s Balloting Agent, KCC is charged with the duty of printing and distributing Solicitation Packages to creditors and other interested parties pursuant to the instructions set forth in the Disclosure Statement Order and the Solicitation Procedures Order.
4. The court-approved solicitation materials (collectively, the “Solicitation Package”) consist of the following:
 - a. the *Solicitation Package Cover Letter* (the “Cover Letter”), attached hereto as **Exhibit B**;
 - b. *Notice of (I) Approval of Disclosure Statement, (II) Confirmation Hearing on Chapter 9 Plan of Adjustment, and (III) Procedures and Deadlines Regarding Confirmation of the Plan* [**Docket No. 1979**] (the “Confirmation Hearing Notice”);

¹ Capitalized terms not defined herein shall have the meanings ascribed to them in the Plan or the Solicitation Procedures Order.

C.400



- c. a CD-ROM (the "CD-ROM") containing electronic copies of the Cover Letter; the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* [**Docket No. 1977**] (the "Disclosure Statement"); and the exhibits thereto, including the Plan; and the Confirmation Hearing Notice;
 - d. a class-specific Ballot; and
 - e. a postage pre-paid return envelope (the "Ballot Return Envelope").
5. On or before September 26, 2013, at my direction and under my supervision, employees of KCC sent per postal forwarding address via First Class Mail, copies of the Confirmation Hearing Notice to the parties identified in the exhibit attached hereto as **Exhibit A**.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information and belief.

Dated: September 27, 2013



Stephanie Delgado
 Kurtzman Carson Consultants LLC
 2335 Alaska Avenue
 El Segundo, CA 90245
 Phone: (310) 823-9000

State of California
 County of Los Angeles

Subscribed and sworn to (or affirmed) before me on September 27, 2013 by Stephanie Delgado, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: 

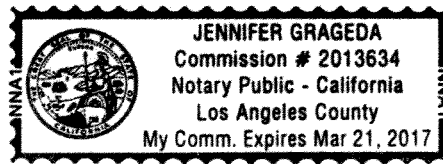


EXHIBIT A

Creditor Matrix

| CreditorName | CreditorNoticeName | Address | City | State | Zip |
|---------------------|--------------------------|--------------------|------------|-------|------------|
| Ballenger Brenda D | | 91 County Road 794 | Cullman | AL | 35055-8339 |
| Ballenger, Brenda | | 91 County Road 794 | Cullman | AL | 35055-8339 |
| Barton Josephine | c o Wendy N Thornton Esq | PO Box 530744 | Birmingham | AL | 35253-0744 |
| Brenda D. Ballenger | | 91 County Road 794 | Cullman | AL | 35055-8339 |

EXHIBIT B



**In re: Jefferson County, Alabama, a political subdivision of the State of Alabama
Chapter 9 Case No. 11-05736 (TBB)**

Dear Holder of an Impaired Claim:

Jefferson County, Alabama (the "County") is pleased to present the enclosed Solicitation Package for your consideration.

**YOU ARE RECEIVING THIS LETTER BECAUSE YOU ARE
ENTITLED TO VOTE ON THE PLAN (AS DEFINED BELOW)**

By order dated August 7, 2013, the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the "Bankruptcy Court") approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time, the "Disclosure Statement"), filed by the County, and authorized the County to solicit votes with respect to the approval or rejection of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the "Plan").¹

You have received this letter and the enclosed Solicitation Package materials because you are entitled to vote on the Plan.

In the opinion of the County, the Plan is preferable to the alternatives described in the enclosed Disclosure Statement. **Accordingly, the County recommends that holders of Impaired Claims entitled to vote on the Plan support confirmation of the Plan and vote to accept the Plan by timely completing and returning the enclosed Ballot.**

**THE COUNTY STRONGLY URGES YOU TO PROPERLY AND
TIMELY CAST YOUR BALLOT TO ACCEPT THE PLAN**

In addition to this cover letter, you have received the enclosed materials, referred to as the "Solicitation Package," which the Bankruptcy Court approved for distribution in connection with the solicitation of votes to accept the Plan, and which consist of the following:

¹ All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to those Defined Terms in the Plan.

- (i) the Confirmation Hearing Notice;
- (ii) the Disclosure Statement, as approved by the Bankruptcy Court (with all exhibits, including the Plan) in electronic format on a CD-ROM; and
- (iii) an appropriate Ballot (together with detailed voting instructions and a postage prepaid, pre-addressed return envelope).

The materials in the Solicitation Package are intended to be self-explanatory. If you should have any questions, if you received Solicitation Package materials in CD-ROM format and desire paper copies, or if you need to obtain additional Solicitation Packages, you may contact the County's Claims and Noticing Agent and Ballot Tabulator, Kurtzman Carson Consultants LLC ("KCC") by: (a) calling by telephone at (866) 967-0677; (b) visiting the County's restructuring website at <http://www.jeffersoncountyrestructuring.com>; and/or (c) writing to KCC at Jefferson County Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245. Copies any pleadings filed in the County's Chapter 9 case are also available for review and download at the Bankruptcy Court's website, www.alnb.uscourts.gov. Alternatively, these documents may be accessed through the Bankruptcy Court's "PACER" website, <https://ecf.alnb.uscourts.gov>. A PACER password and login are needed to access documents on the Court's "PACER" website. A PACER password can be obtained at <http://www.pacer.gov>.

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

| | | |
|--|--|---------------------------------------|
| <p>In re:</p> <p>JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama,</p> <p style="text-align: center;">Debtor.</p> <hr style="width: 35%; margin-left: 0;"/> | <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> | <p>Case No. 11-05736-TBB-9</p> |
|--|--|---------------------------------------|

AFFIDAVIT OF SERVICE

I, Karen M. Wagner, a non-attorney, certify that on September 30, 2013, I caused to be served the following document via E-Mail upon the service list attached hereto as **Exhibit A** and via First-Class Mail upon the service list attached hereto as **Exhibit B**:

- Plan Supplement to Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013) [**Docket No. 2101**]

Additionally, on September 30, 2013, I caused to be served the following documents via First-Class Mail upon the service list attached hereto as **Exhibit C**:

- Notice Of Proposed Assumption Of Executory Contracts and Unexpired Leases By Jefferson County, Alabama and Associated Cure Payments, a copy of which is attached hereto as **Exhibit D**
- CD including the Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013) [**Docket No. 1977**]


Dated: October 3, 2013

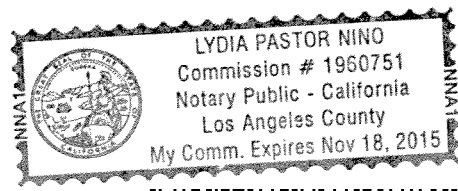
By: 
 Kurtzman Carson Consultants LLC
 Claims and Noticing Agent
 2335 Alaska Avenue
 El Segundo, CA 90245
 Telephone: (310) 823-9000

State of California, County of Los Angeles

Subscribed and sworn to before me on October 3, 2013, by Karen M. Wagner, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: 
 Notary Public



C.401



110573613100400000000009

Exhibit A

MASTER SERVICE LIST

VIA E-MAIL:

| | |
|--|---|
| <p>Jefferson County, Alabama c/o Patrick Darby c/o Jay Bender Bradley Arant Boulton Cummings LLP 1819 Fifth Avenue North Birmingham, AL 35203 pdarby@babco.com jbender@babco.com</p> | <p>Jefferson County Special Counsel J.F. "Foster" Clark, Esq. Balch & Bingham, LLP 1901 6th Avenue North 2600 AmSouth Harbert Plaza Birmingham, AL 35203-4644 fclark@balch.com</p> |
| <p>Jefferson County, Alabama c/o Kenneth Klee c/o Lee Bogdanoff c/o Robert J. Pfister c/o Whitman L. Holt c/o Samuel M. Kidder Klee, Tuchin, Bogdanoff & Stern, LLP 1999 Avenue of the Stars, Thirty-Ninth Floor Los Angeles, CA 90067-5061 kklee@ktbslaw.com lbogdanoff@ktbslaw.com rpfister@ktbslaw.com skidder@ktbslaw.com</p> | <p>Jefferson County Special Counsel J. Hobson Presley, Jr. Balch & Bingham LLP 1901 Sixth Avenue North Suite 1500 Birmingham, Alabama 35203-4642 hpresley@balch.com</p> |
| <p>The Bank of New York Mellon, as Indenture Trustee c/o Gerald F. Mace c/o Michael R. Paslay c/o David E. Lemke, Esq. c/o Ryan K. Cochran, Esq. c/o Paul S. Davidson Waller Lansden Dortch & Davis, LLP 511 Union Street, Suite 2700 Nashville, TN 37219 Gerald.Mace@wallerlaw.com Mike.Paslay@wallerlaw.com David.Lemke@wallerlaw.com Ryan.Cochran@wallerlaw.com Paul.Davidson@wallerlaw.com</p> | <p>Bankruptcy Administrator for the Northern District of Alabama (Birmingham) Office of the Bankruptcy Administrator c/o J. Thomas Corbett, Esq. United States Bankruptcy Court Robert S. Vance Federal Building 1800 5th Ave. North Birmingham AL 35203 Thomas_Corbett@alnb.uscourts.gov</p> |

| | |
|---|--|
| <p>The Bank of New York Mellon, as Indenture Trustee c/o Bridget M. Schessler The Bank of New York Mellon Trust Company, N.A. 525 William Penn Place, 7th Floor Pittsburgh, PA 15259 bridget.schessler@bnymellon.com</p> | <p>The Bank of New York Mellon, as Indenture Trustee c/o Larry Childs, Esq. c/o Brian J. Malcom, Esq. c/o Heath A. Fite, Esq. Waller Lansden Dortch & Davis, LLP Regions Harbert Plaza 1901 Sixth Avenue North, Suite 1400 Birmingham, AL 35203 Larry.Childs@wallerlaw.com Brian.Malcom@wallerlaw.com Heath.Fite@wallerlaw.com</p> |
| <p>The Bank of New York Mellon c/o Debra L. Felder Orrick, Herrington, & Sutcliffe LLP Columbia Center 1152 15th Street, N.W. Washington, D.C. 20005-1706 dfelder@orrick.com</p> | <p>JPMorgan Chase Bank, as Liquidity Agent c/o Steve Fuhrman Simpson Thacher & Bartlett LLP 425 Lexington Avenue New York, New York 10017 sfuhrman@stblaw.com</p> |
| <p>U.S. Bank, National Association, as Paying Agent 2204 Lakeshore Drive Suite 302 Mail Code: EX-AL-WWPH Homewood, AL 35209 felicia.cannon@usbank.com steve.hodges@usbank.com</p> | <p>The Bank of New York Mellon c/o Thomas C. Mitchell Orrick, Herrington & Sutcliffe LLP The Orrick Building 405 Howard Street San Francisco, CA 94105-2669 tcmitchell@orrick.com</p> |
| <p>Bank of America, N.A. c/o David L. Eades c/o Daniel G. Clodfelter c/o David S. Walls Moore & Van Allen, PLLC 100 North Tryon Street, Suite 4700 Charlotte, NC 28202-4003 davideades@mvalaw.com danclofelter@mvalaw.com davidwalls@mvalaw.com</p> | <p>The Bank of New York Mellon Sirote & Permut, P.C. c/o Stephen B. Porterfield c/o Donald Wright 2311 Highland Avenue South Birmingham, AL 35205 sporterfield@sirote.com dwright@sirote.com</p> |

| | |
|--|--|
| <p>Blue Ridge Investments, LLC Affiliate of Bank of America, N.A. c/o David L Eades c/o Daniel G. Clodfelter c/o David S. Walls Moore & Van Allen, PLLC 100 North Tryon Street, Suite 4700 Charlotte, NC 28202-4003 davideades@mvalaw.com danclofelter@mvalaw.com davidwalls@mvalaw.com</p> | <p>Blue Ridge Investments, LLC Affiliate of Bank of America, N.A. c/o Cathleen Curran Moore Burr & Forman LLP 420 North 20th Street, Suite 3400 Birmingham, AL 35203 cmoore@burr.com</p> |
| <p>Bank of America, N.A. c/o Joe A. Joseph c/o Clifton C. Mosteller c/o Cathleen Curran Moore Burr & Forman LLP 420 North 20th Street, Suite 3400 Birmingham, AL 35203 jjoseph@burr.com cmostell@burr.com cmoore@burr.com</p> | <p>JPMorgan Chase Bank c/o Steve M. Fuhrman, Esq. c/o Mary Beth Forshaw c/o Elisha David Graff c/o Thomas C. Rice c/o William T. Russell, Jr. Simpson Thacher & Bartlett LLP 425 Lexington Avenue New York, NY 10017 sfuhrman@stblaw.com mforshaw@stblaw.com egraff@stblaw.com trice@stblaw.com wrussell@stblaw.com</p> |
| <p>State Street Bank and Trust Company c/o William W. Kannel c/o Adrienne K. Walker Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C. One Financial Center Boston, MA 02111 wkannel@mintz.com awalker@mintz.com</p> | <p>Regions Bank c/o Jayna Partain Lamar c/o J. Leland Murphree Maynard Cooper & Gale, P.C. AmSouth/Harbert Plaza, Suite 2400 1901 6th Avenue North Birmingham, AL 35203-2618 jlamar@maynardcooper.com lmurphree@maynardcooper.com</p> |

| | |
|--|---|
| <p>State Street Bank and Trust Company Sirote & Permut, P.C. c/o Stephen B. Porterfield c/o Donald Wright 2311 Highland Avenue South Birmingham, AL 35205 sporterfield@sirote.com dwright@sirote.com</p> | <p>Regions Bank, as Trustee c/o Brian P. Hall Smith, Gambrell & Russell, LLP Promenade II, Suite 3100 1230 Peachtree Street, N.E. Atlanta, Georgia 30309-3592 bhall@sgrlaw.com</p> |
| <p>Societe Generale c/o Mark J. Fiekers c/o Joyce T. Gorman Ashurst LLP 1875 K Street N.W., Suite 750 Washington, DC 20006 mark.fiekers@ashurst.com joyce.gorman@ashurst.com</p> | <p>Financial Guaranty Insurance Company c/o William H. Patrick, III c/o Tristan E. Manthey c/o Cherie Dessauer Nobles Heller, Draper, Patrick & Horn, L.L.C. 650 Poydras Street, Suite 2500 New Orleans, Louisiana 70130-6103 wpatrick@hellerdraper.com tmanthey@hellerdraper.com cnobles@hellerdraper.com</p> |
| <p>Financial Guaranty Insurance Company c/o Robert K. Spotswood c/o Michael T. Sansbury c/o Emily J. Tidmore c/o Grace L. Kipp Spotswood Sansom & Sansbury LLC One Federal Place 1819 Fifth Avenue North Suite 1050 Birmingham, Alabama 35203 rks@spotswoodllc.com msansbury@spotswoodllc.com etidmore@spotswoodllc.com gkipp@spotswoodllc.com</p> | <p>Financial Guaranty Insurance Company c/o H. Slayton Dabney, Jr. Dabney, PLLC 303 Grande Court Richmond, Virginia 23229 sdabney@dabneypllc.com</p> |

| | |
|--|--|
| <p>Assured Guaranty Municipal Corp. c/o Winston & Strawn LLP Lawrence A. Larose, Esq. Samuel S. Kohn, Esq. Sarah L. Trum, Esq. George Mastoris Carrie V. Hardman 200 Park Avenue New York, New York 10166-4193 llarose@winston.com skohn@winston.com strum@winston.com gmastoris@winston.com chardman@winston.com</p> | <p>Receiver for County's Sewer System John S. Young, Jr. LLC, as Receiver c/o Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. Timothy M. Lupinacci, Esq. W. Patton Hahn, Esq. Daniel J. Ferretti, Esq. Bill D. Bensinger, Esq. 1600 Wells Fargo Tower Birmingham, AL 35203 tlupinacci@bakerdonelson.com phahn@bakerdonelson.com dferretti@bakerdonelson.com bbensinger@bakerdonelson.com</p> |
| <p>Assured Guaranty Municipal Corp. c/o Mark P. Williams Norman, Wood, Kendrick & Turner Financial Center – Suite 1600 505 20th Street North Birmingham, AL 35203 mpwilliams@nwkt.com</p> | <p>Receiver for County's Sewer System John S. Young, Jr. LLC, as Receiver c/o Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. Joe A. Conner 1800 Republic Centre 633 Chestnut Street Chattanooga, TN 37450 jconner@bakerdonelson.com</p> |
| <p>Syncora Guarantee, Inc. c/o Quinn Emanuel Urquhart & Sullivan, LLP c/o Jonathan E. Pickhardt c/o Jake M. Shields c/o Susheel Kirpalani c/o Daniel Holzman c/o Eric Kay c/o Robert S. Loigman c/o Xochitl Strohbeh 51 Madison Avenue, 22nd Floor New York, NY 10010 jonpickhardt@quinnemanuel.com jakeshields@quinnemanuel.com susheelkirpalani@quinnemanuel.com danielholzman@quinnemanuel.com erickay@quinnemanuel.com robertloigman@quinnemanuel.com xochitlstrohbeh@quinnemanuel.com</p> | <p>Jefferson County Personnel Board c/o Lee R. Benton c/o Jamie A. Wilson Benton & Centeno, LLP 2019 3rd Avenue North Birmingham, AL 35203 lbenton@bcattys.com jwilson@bcattys.com</p> |

| | |
|--|--|
| <p>Bayern LB c/o Edward A. Smith Venable Rockefeller Center 1270 Avenue of the Americas Twenty-fifth Floor New York, NY 10020 EASmith@Venable.com</p> | <p>Bayern LB c/o Joseph Campagna Vice President 560 Lexington Avenue New York, New York 10022 jcampagna@bayernlbny.com</p> |
| <p>Societe Generale c/o Christopher Blackwell c/o Dan Schulman Ashurst LLP Times Square Tower 7 Times Square New York, NY 10036 Christopher.Blackwell@ashurst.com Dan.Schulman@ashurst.com</p> | <p>Ambac Assurance Corporation c/o Charles L. Denaburg Najjar Denaburg, P.C. 2125 Morris Avenue Birmingham, AL 35203 cdenaburg@najjar.com</p> |
| <p>Jeffrey Weissman, D.D.S. Jeffrey Weissman, D.D.S., P.C. Keith Shannon Individually and as Class Representatives c/o Wilson F. Green Fleenor & Green, LLP 204 Marina Drive, Ste. 200 Tuscaloosa, AL 35406 wgreen@fleenorgreen.com</p> | <p>Ambac Assurance Corporation c/o Miles W. Hughes c/o William P. Smith c/o Robert A. Dall'Asta c/o Greg Kopacz McDermott Will & Emery LLP 227 West Monroe Street Chicago, Illinois 60606 mwhughes@mwe.com wsmith@mwe.com rdallasta@mwe.com gkopacz@mwe.com</p> |
| <p>Jeffrey Weissman, D.D.S. Jeffrey Weissman, D.D.S., P.C. Keith Shannon Individually and as Class Representatives c/o Brian R. Walding WALDING, LLC 505 20th Street North, Suite 620 Birmingham, AL 35203 bwalding@waldinglaw.com</p> | <p>Ambac Assurance Corporation c/o Gregory Andrew Kopacz McDermott Will & Emery LLP 340 Madison Avenue New York, New York 10173-1922 gkopacz@mwe.com</p> |

| | |
|---|--|
| <p>City of Birmingham c/o Michael M. Fliegel Assistant City Attorney Legal Dept. 710 20th Street North Birmingham, AL 35203 Mike.Fliegel@ci.birmingham.al.us</p> | <p>J.P. Morgan Securities, Inc. JPMorgan Chase Bank, N.A. c/o Clark R. Hammond Johnston Barton Proctor & Rose, LLP 569 Brookwood Village, Suite 901 Birmingham, AL 35209 crh@johnstonbarton.com</p> |
| <p>Societe Generale c/o Donald M. Wright c/o Stephen B. Porterfield Sirote & Permutt, P.C. 2311 Highland Avenue South Birmingham, AL 35205 dwright@sirote.com sporterfield@sirote.com</p> | <p>JPMorgan Chase Bank, N.A. c/o Lindan J. Hill Johnston Barton Proctor & Rose, LLP 569 Brookwood Village, Suite 901 Birmingham, AL 35209 lhill@johnstonbarton.com</p> |
| <p>National Public Finance Guarantee Corp. c/o Benjamin S. Goldman Hand Arendall LLC 1200 Park Place Tower 2001 Park Place North Birmingham, AL 35203 bgoldman@handarendall.com</p> | <p>Anne Elizabeth McGowin, Esq. Legal Advisor Office of the Governor State of Alabama State Capitol, Room NB-05 600 Dexter Avenue Montgomery, AL 36130 anneelizabeth.mcgowin@finance.alabama.gov</p> |
| <p>National Public Finance Guarantee Corp. c/o Mark A. Cody Jones Day 77 West Wacker Chicago, IL 60601-1676 macody@jonesday.com</p> | <p>City of Center Point, Alabama c/o Robert C. Keller Russo, White & Keller, P.C. 315 Gadsden Highway, Suite D Birmingham, AL 35235 rjlawoff@bellsouth.net</p> |

| | |
|--|---|
| <p>Syncora Guarantee, Inc. c/o Matthew Scheck Quinn Emanuel Urquhart & Sullivan, LLP 865 South Figueroa Street, 10th Floor Los Angeles, CA 90017 matthewscheck@quinnemanuel.com</p> | <p>Syncora Guarantee, Inc. c/o Richard P. Carmody c/o Lawrence J. McDuff c/o Russell J. Rutherford c/o David K. Bowsher Adams and Reese LLP Regions Harbert Plaza 1901 6th Avenue North, Suite 3000 Birmingham, AL 35203 Richard.Carmody@arlaw.com Laurence.McDuff@arlaw.com Russell.Rutherford@arlaw.com David.Bowsher@arlaw.com</p> |
| <p>U.S. Securities and Exchange Commission Office of Reorganization Atlanta Regional Office 950 East Paces Ferry Road, N.E., Suite 900 Atlanta, Georgia 30326-1382 Telephone: 404-842-7600 Facsimile: 404-842-7633 E-mail: atlreorg@sec.gov</p> | <p>National Public Finance Guarantee Corp. c/o Amy Edgy Ferber Jones Day 1420 Peachtree Street, N.E. Suite 800 Atlanta, GA 30309-3053 aferber@jonesday.com</p> |
| <p>Lloyds TSB Bank PLC c/o Laura E. Appleby Chapman and Cutler LLP 330 Madison Ave. 34th Floor New York, NY 10017 appleby@chapman.com</p> | <p>National Public Finance Guarantee Corp. c/o Corinne Ball Jones Day 222 East 41st Street New York, NY 10017-6702 cball@jonesday.com</p> |
| <p>Lloyds TSB Bank PLC c/o Ann E. Acker c/o James E. Spiotto Chapman and Cutler, LLP 111 W. Monroe St. Chicago, IL 60603 acker@chapman.com spiotto@chapman.com</p> | <p>The Securities and Exchange Commission SEC Headquarters 100 F Street, NE Washington, DC 20549-9040 Attention: Morgan Bradylyons, Senior Counsel bradylyonsm@sec.gov</p> |

| | |
|---|---|
| <p>Lloyds TSB Bank PLC c/o Donald M. Wright c/o Stephen B. Porterfield Sirote & Permutt, P.C. 2311 Highland Avenue S. Birmingham, AL 35205 dwright@sirote.com sporterfield@sirote.com</p> | <p>The Bank of Nova Scotia c/o Laura E. Appleby Chapman and Cutler LLP 330 Madison Ave. 34th Floor New York, NY 10017 appleby@chapman.com</p> |
| <p>Appellant William Casey Appeal No. 1101361 in Supreme Court of Alabama c/o Matthew Weathers Weathers Law Firm, LLC P.O. Box 1826 Birmingham, AL 35201 mweathersmatt@gmail.com</p> | <p>The Bank of Nova Scotia c/o Ann E. Acker c/o James E. Spiotto Chapman and Cutler, LLP 111 W. Monroe St. Chicago, IL 60603 acker@chapman.com spiotto@chapman.com</p> |
| <p>Appellant William Casey Appeal No. 1101361 in Supreme Court of Alabama c/o Edward Jason Dennis c/o Samuel B. Hardy, IV Lynn Tillotson Pinker & Cox, LLP 2100 Ross Avenue, Suite 2700 Dallas, Texas 75201 jdennis@lynnllp.com shardy@lynnllp.com</p> | <p>The Bank of Nova Scotia c/o Donald M. Wright c/o Stephen B. Porterfield Sirote & Permutt, P.C. 2311 Highland Avenue S. Birmingham, AL 35205 dwright@sirote.com sporterfield@sirote.com</p> |
| <p>U.S. Bank National Association, in its capacity as Indenture Trustee c/o Charles R. Johanson III Engel, Hairston, & Johanson, P.C. 4th Floor, 109 20th Street (35203) P.O. Box 11405 Birmingham, AL 35202 rjohanson@ehjlaw.com</p> | <p>Appellant Carmella Macon Appeal No. 1101270 in the Supreme Court of Alabama c/o Matthew Weathers Weathers Law Firm, LLC P.O. Box 1826 Birmingham, AL 35201 mweathersmatt@gmail.com</p> |

| | |
|--|--|
| <p>David Perry, Esq. Finance Director Office of the Governor State of Alabama Office of the Governor State Capitol, Room N-104 600 Dexter Avenue Montgomery, AL 36130 david.perry@governor.alabama.gov</p> | <p>Appellant Carmella Macon Appeal No. 1101270 in the Supreme Court of Alabama c/o Edward Jason Dennis c/o Samuel B. Hardy, IV Lynn Tillotson Pinker & Cox, LLP 2100 Ross Avenue, Suite 2700 Dallas, Texas 75201 jdennis@lynllp.com shardy@lynllp.com</p> |
| <p>State of Alabama Department of Finance c/o Rachel L. Webber c/o Jerry C. Olshue, Jr. c/o Kristopher D. Sodergren c/o Robin E. Pate Rosen Harwood, P.A. 2200 Jack Warner Parkway, Suite 200 P.O. Box 2727 Tuscaloosa, AL 35403-2727 rwebber@rosenharwood.com boldshue@rosenharwood.com rpate@rosenharwood.com</p> | <p>U.S. Bank National Association, in its capacity as Indenture Trustee c/o Clark T. Whitmore Maslon Edleman Borman & Brand,LLP 3300 Wells Fargo Center 90 South Seventh Street Minneapolis, MN 55402-4140 clark.whitmore@maslon.com</p> |
| <p>Wendell Major Public Employee of Jefferson County Alabama 3775 Gillespie Road Dolomite, AL 35061 majorpd@charter.net wwm5007@gmail.com</p> | <p>Beckman Coulter, Inc. c/o Kirk B. Burkley Bernstein Law Firm, P.C. Suite 2200 Gulf Tower Pittsburgh, PA 15219-1900 kburkley@bernsteinlaw.com</p> |
| <p>Beers Properties, LLC Creditor c/o W.L. Longshore, III Longshore, Buck & Longshore, P.C. 2009 Second Avenue North Birmingham, AL 35203 Billy3@longshorebuck.com</p> | <p>The Depository Trust & Clearing Corporation A Party in Interest c/o Adam T. Berkowitz c/o Jeffrey Chubak Proskauer Rose LLP Eleven Time Square New York, NY 10036-8299 aberkowitz@proskauer.com jchubak@proskauer.com</p> |

| | |
|--|---|
| <p>Mike Hale, in his official capacity as Sheriff of Jefferson County, Alabama c/o Robert R. Riley c/o Keith Jackson c/o Jay Murrill Riley & Jackson, P.C. 1744 Oxmoor Road Birmingham, AL 35209 jay@rileyjacksonlaw.com</p> | <p>City of Birmingham, Alabama c/o U.W. Clemon White Arnold & Dowd P.C. 2025 Third Avenue North, Suite 500 Birmingham, AL 35203 uwclemon@waadlaw.com</p> |
| <p>Gene J. Gonsoulin A Party in Interest c/o A. Wilson Webb Webb Law Firm 4416 Linpark Drive Birmingham, AL 35222 awilsonwebb@gmail.com</p> | <p>Jefferson County Board of Education c/o Whit Colvin Bishop, Colvin, Johnson & Kent, LLC 1910 First Avenue North Birmingham, AL 35203 wcolvin@bishopcolvin.com</p> |
| <p>David Swanson Interested Party c/o Henry J. Walker Walker Law Firm 2330 Highland Ave. Birmingham, AL 35205 henryjwalker@bellsouth.net</p> | <p>All Temps Systems, Inc. c/o Andre' M. Toffel Andre' M. Toffel, P.C. Suite 300 600 North, 20th Street Birmingham, AL 35203 atoffel@toffelp.com</p> |
| <p>Bill George c/o Jon C. Goldfarb c/o Daniel Arciniegas c/o L. William Smith Wiggins, Childs, Quinn & Pantazis, LLC The Kress Building, 301 19th Street North Birmingham, AL 35203 wsmith@wcqp.com</p> | <p>Elevator Maintenance and Repair, Inc. Creditor c/o Charles N. Parnell, III Parnell & Crum, P.A. P.O. Box 2189 Montgomery, AL 36102-2180 bkpr@parnellcrum.com</p> |

| | |
|---|---|
| <p>U.S. Pipe and Foundry Company, LLC c/o Jeffrey B. McClellan, Esq. 1200 Abernathy Road, NE Suite 1200 Atlanta, GA 30328 jmcclellan@muellerwp.com</p> | <p>Wells Fargo Bank, National Association as Indenture Trustee c/o Eric A. Schaffer c/o Luke A. Sizemore c/o Mike C. Buckley Reed Smith LLP 225 Fifth Ave., Suite 1200 Pittsburgh, PA 15230-2009 eschaffer@reedsmith.com lsizemore@reedsmith.com mbuckley@reedsmith.com</p> |
| <p>City of Midfield, Alabama c/o David A. Sullivan 1728 3rd Avenue North Suite 400D Birmingham, AL 35203 dasnicole@bellsouth.net</p> | <p>Fraternal Order of Police Lodge 64 Robert Thompson, Aubrey Finley and William D. McAnally et al. on behalf of the Employees of the Jefferson County Sheriff's Office c/o Raymond P. Fitzpatrick 1929 Third Avenue North Birmingham, Alabama 35203 rpfitzpatrick@fcclawgroup.com</p> |
| <p>BBA Development, LLC c/o Amanda M. Beckett Burr & Forman LLP 420 North 20th Street, Suite 3400 Birmingham, AL 35203 abeckett@burr.com</p> | <p>Medical Data Systems Inc. c/o Bryan G. Hale Starnes Davis Florie LLP 100 Brookwood Place, 7th Floor Birmingham, AL 35209 bgh@starneslaw.com</p> |
| <p>Lara Swindle c/o Ann C. Robertson c/o H. Wallace Blizzard Wiggins, Childs, Quinn & Pantazis, LLC The Kress Building 301 Nineteenth Street North Birmingham, AL 35203 arobertson@wcqp.com hwb@wcqp.com</p> | <p>Charlotte Breece Lillie Starks On behalf of all similarly situated persons in Breece, et al v. Jefferson County Tax Collector c/o Lee Wendell Loder Loder, P.C. P.O. Box 13545 Birmingham, AL 35202 loderlawfirm@aol.com</p> |

| | |
|--|--|
| <p>John Madison, IV, inmates and others similarly situated at the Jefferson County Jail c/o H. Doug Redd 5343 Old Springville Road Pinson, AL 35126 hdougredd@gmail.com</p> | <p>B.A.S. L.L.P. c/o Salem Resha, Jr. Wilson Resha, LLC 1516 20th Street South, Suite A Birmingham, AL 35205 snr@wilsonresha.com</p> |
| <p>CSX Transportation, Inc. A party-in-interest c/o James H. White, IV Baker Donelson Bearman Caldwell & Berkowitz, P.C. 420 20th Street North 1600 Wells Fargo Tower Birmingham, AL 35203 jwhite@bakerdonelson.com</p> | <p>Unisys Corporation Party in Interest c/o Dana S. Plon, Esq. Sirlin Gallogly & Lesser, P.C. 123 South Broad Street, Suite 2100 Philadelphia, PA 19109 dplon@sirlinlaw.com</p> |
| <p>James Pruitt Interested Party c/o Cynthia Forman Wilkinson, Esq. c/o Larry R. Mann, Esq. Wilkinson Law Firm, PC 215 N. Richard Arrington, Jr. Blvd., Ste. 811 Birmingham, AL 35203 wilkinsonefile@bellsouth.net</p> | <p>John Mason, IV c/o Dan C. King, III Stewart & Stewart, P.C. 1826 3rd Avenue North Suite 300 Bessemer, AL 35020 dking@stewartandstewart.net</p> |
| <p>James R. Crane c/o Steven D. Altmann c/o Charles L. Denaburg c/o Marvin E. Franklin Najjar Denaburg, P.C. 2125 Morris Avenue Birmingham, AL 35203 saltmann@najjar.com cdenaburg@najjar.com mfranklin@najjar.com</p> | <p>Owens & Minor, Inc. c/o Robert S. Westermann, Esq. c/o Sheila deLa Cruz, Esq. Hirschler Fleischer, P.C. P.O. Box 500 Richmond, Virginia 23218-0500 rwestermann@hf-law.com sdelacruz@hf-law.com</p> |

| | |
|---|--|
| <p>James R. Crane c/o Sydney Gibbs Ballesteros Gibbs & Bruns, LLP 1100 Louisiana, Suite 5300 Houston, Texas 77002 sballesteros@gibbsbruns.com</p> | <p>Collette Funderburg Creditor and Interested Party c/o Michael J. Antonio, Jr. Greystone Legal Clinic 2516 11th Avenue North Birmingham, AL 35234 MANT003@aol.com</p> |
| <p>W.C. Rice Oil Company, Inc. c/o James H. White, IV Baker Donelson Bearman Caldwell & Berkowitz, P.C. 420 20th Street North 1600 Wells Fargo Tower Birmingham, Alabama 35203 jwhite@bakerdonelson.com</p> | <p>Universal Hospital Services, Inc. c/o James E. Bailey, III Butler, Snow, O'Mara, Stevens & Cannada, PLLC 6075 Poplar Avenue, Suite 500 Memphis, TN 38119 jeb.bailey@butlersnow.com</p> |
| <p>Delores W. Frost c/o W.L. Longshore, III Longshore, Buck & Longshore, P.C. 2009 Second Avenue North Birmingham, Alabama 3203 Billy3@longshorebuck.com</p> | <p>Lehman Brothers Special Financing, Inc. c/o James C. Huckaby c/o Daniel D. Sparks c/o Bradley R. Hightower Christian & Small 505 20th Street North, Suite 1800 Birmingham, Alabama 35203 jch@csattorneys.com dds@csattorneys.com brh@csattorneys.com</p> |
| <p>AMCAD 15867 North Mountain Road Broadway, VA 22815 cdelawder@amcad.com</p> | <p>BNSF Railway Company c/o James H. White, IV Baker Donelson Bearman Caldwell & Berkowitz, P.C. 420 20th Street North 1600 Wells Fargo Tower Birmingham, Alabama 35203 jwhite@bakerdonelson.com</p> |

| | |
|--|--|
| <p>Wells Fargo Bank, National Association, Indenture Trustee c/o Russell M. Cunningham, IV Cunningham Firm, LLC Landmark Center, Suite 600 2100 First Avenue North Birmingham, AL 35203 Russell@cunninghamfirmllc.com</p> | <p>Moore Oil Company Creditor c/o Brenton K. Morris Benton & Centeno, LLP 2019 Third Avenue North Birmingham, Alabama 35203 bmorris@bcattys.com</p> |
| <p>Innovation Depot, successor-in-interest to Entrepreneurial Center, Creditor c/o Russell M. Cunningham, IV Cunningham Firm, LLC Landmark Center, Suite 600 2100 First Avenue North Birmingham, AL 35203 Russell@cunninghamfirmllc.com</p> | <p>First Commercial Bank As Indenture Trustee c/o David B. Anderson c/o Deanna L. Weidner Anderson Weidner, LLC 505 20th Street North Financial Center, Suite 1450 Birmingham, AL 35203-4635 dbanderson@andersonweidner.com dlweidner@andersonweidner.com</p> |
| <p>Andrew Bennett, Roderick Royal, et al. c/o Calvin B. Grigsby 2406 Saddleback Drive Danville, CA 94506 cgrigsby@grigsbyinc.com</p> | <p>First Commercial Bank c/o David A. Wender Alston & Bird LLP 1201 West Peachtree Street Atlanta, Georgia 30309 david.wender@alston.com</p> |
| <p>The Depository Trust Company, on behalf of the holders of the Jefferson County, Alabama, General Obligation Capital Improvement Warrants, Series 2003-A and 2004-A c/o Lawrence S. Elbaum Proskauer Rose LLP Eleven Times Square New York, NY 10036-8299 lelbaum@proskauer.com</p> | <p>Jefferson County, Alabama George Carpinello Boies, Schiller & Flexner LLP 10 North Pearl Street, 4th Floor Albany, New York 12207 gcarpinello@bsflp.com</p> |

| | |
|---|--|
| Bayerische Landesbank c/o Edward A. Smith Venable LLP Rockefeller Center 1270 Avenue of the Americas New York, NY 10020 easmith@Venable.com | AMSOL c/o John K. Rezac Taylor English Duma LLP 1600 Parkwood Circle, Suite 400 Atlanta, Georgia 30339 jrezac@taylorenghish.com |
| Internal Revenue Service c/o Kenya Bufford 801 Tom Martin Drive M/S 126 Birmingham, AL 35211 Kenya.Bufford@irs.gov | UAB Health System c/o Kathleen Kauffman Legal Counsel 500 22 nd Street South, Suite 408 Birmingham, AL 35233 kkauffman@uasystem.ua.edu |
| Luther Strange, Esq. Attorney General State of Alabama 501 Washington Avenue Montgomery, AL 36130 lstrange@ago.state.al.us omartin@ago.state.al.us | Vekesha Hawes Creditor c/o Tyrone Townsend P.O. Box 2105 Birmingham, AL 35201 ttownsl@msn.com |
| John A. Vos Esq., Interested Party c/o John A. Vos, Esq. 1430 Lincoln Avenue San Rafael, CA 94901 invalidemailecfonly@gmail.com | Alabama Department of Environmental Management c/o Tom Johnston, Esq. General Counsel 1400 Coliseum Blvd. Montgomery AL 36110 tlj@adem.state.al.us daf@adem.state.al.us |
| Environmental Protection Agency c/o Bill Weinischke U.S. Department of Justice Room 6028 Patrick Henry Bldg. 601 D Street, N.W. Washington, D.C. 20004 bill.weinischke@usdoj.gov | University of Alabama Health Services Foundation, P.C. Sirote & Permut, P.C. c/o Stephen B. Porterfield 2311 Highland Avenue South Birmingham, AL 35205 sporterfield@sirote.com |

| | |
|---|---|
| <p>Ad Hoc Sewer Warrantholders c/o Thomas M. Mayer c/o Gregory A. Horowitz c/o Amy Caton c/o Jonathan M. Wagner Kramer Levin Naftalis & Frankel LLP 1177 Avenue of the Americas New York, New York 10036 tmayer@kramerlevin.com ghorowitz@kramerlevin.com acaton@kramerlevin.com jwagner@kramerlevin.com</p> | <p>Environmental Protection Agency c/o William Bush c/o Brad Ammons Atlanta Federal Center 61 Forsyth Street, SW Atlanta, GA 30303-3104 Bush.william@epamail.epa.gov Ammons.brad@epamail.epa.gov</p> |
| <p>National Public Finance Guarantee Corp. c/o Jennifer S. Morgan Hand Arendall LLC 30200 RSA Tower Post Office Box 123 Mobile, AL 36601 jmorgan@handarendall.com</p> | <p>Ad Hoc Sewer Warrantholders c/o Justin G. Williams, Esq. Tanner Guin & Crowell, LLC 2711 University Boulevard Tuscaloosa, AL 35401-1465 jwilliams@tannerguincrowell.com</p> |
| <p>City of Hoover c/o Leslie M. Klasing c/o April B. Danielson Waldrep, Stewart & Kendrick, LLC 2323 Second Avenue North Birmingham, AL 35203 Klasing@wskllc.com adanielson@wskllc.com</p> | <p>Depfa Bank PLC c/o Israel David c/o Gary L. Kaplan Fried, Frank, Harris, Shriver & Jacobson LLP One New York Plaza New York, NY 10004 israel.david@friedfrank.com gary.kaplan@friedfrank.com</p> |
| <p>Charles E. Wilson David Harris, III Mike Agnesia c/o Lee R. Benton c/o Jamie A. Wilson Benton & Centeno, LLP 2019 Third Avenue North Birmingham, AL 35203 lbenton@bcattys.com jwilson@bcattys.com</p> | |

EXHIBIT B

In re: Jefferson County, Alabama, Chapter 9 Case No. 11-05736-TBB-9
Pending in the U.S. Bankruptcy Court for the Northern District of Alabama
Updated 9/30/13 through Docket No. 2089

VIA U.S. MAIL:

| | |
|--|---|
| Shoe Station, Inc. Attn: Michael T. Cronin, Esq. Johnson Pope Bokor Ruppel & Burns, LLP 911 Chestnut Street Clearwater, FL 33576 | Teklinks Inc. 201 Summit Parkway Homewood, AL 35209 |
| Morris & Dickson Co LLC 410 Kay Lane Shreveport, LA 71115 | Augmentation, Inc. 3415 Independence Drive, Suite 101 Birmingham, AL 35209-8315 |
| AMT Medical Staffing, Inc. 2 20 th Street North Suite 1360 Birmingham, AL 35203 | Brice Building Co., LLC 201 Sunbelt Parkway Birmingham, AL 35211 |
| John Plott Company Inc. 2804 Rice Mine Road NE Tuscaloosa, AL 35406 | Laboratory Corporation of America 430 South Spring Street Burlington, NC 27215 Attention: Legal Department |

Exhibit C

Exhibit C
 Contract Parties - First-Class Mail

| CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|--|--|--------------------------------------|---------------------------------|----------------|-------|------------|
| 3M | | 575 West Murray Boulevard | | Murray | UT | 84123-0000 |
| AAA Solutions, Inc. | | PO Box 170215 | | Birmingham | AL | 35217-0000 |
| Abbott Laboratories Inc. | | 100 Abbott Park Road D-943 | AP8C | Abbott Park | IL | 60064-6095 |
| Alabama Department of Transportation | | 1020 BankheadHighway West | PO Box 2745 | Birmingham | AL | 35202-0000 |
| Alabama Gas Corporation | | 605 Richard Arrington | | Birmingham | AL | 35203-0000 |
| Alabama Institute for Deaf and Blind | | PO Box 698 | | Talladega | AL | 35161-0698 |
| Alabama Power Company | | 600 North 18th Street | 35-1635 | Birmingham | AL | 35203-0000 |
| Alagasco | | 605 Richard Arrington | | Birmingham | AL | 35203-0000 |
| Almon Associates | | 2008 12th Street | | Tuscaloosa | AL | 35403-0000 |
| American Cadastre LLC (AmCad) | | 220 Spring Street, Suite 150 | | Herndon | VA | 20170-0000 |
| American Tower Management, LLC | Attn Contracts Manager | 10 Presidential Way | | Woburn | MA | 01801-0000 |
| AT&T | | 3196 Hwy 280 E | | Birmingham | AL | 35243-0000 |
| Azteca System Inc. | | 11075 South State St #24 | | Sandy | UT | 84070-0000 |
| Azteca Systems Inc. | | 11075 South State St #24 | | Sandy | UT | 84070-0000 |
| Balch & Bingham LLP | | 1901 Sixth Avenue North, Suite 1500 | | Birmingham | AL | 35203-0000 |
| Board of Education of Jefferson County | | 2100 18th Street South | | Birmingham | AL | 35209-0000 |
| Braswell Mccalla Properties LLC | | PO Box 248 | | Warrior | AL | 35180-0000 |
| CH2M Hill | | 2112 Eleventh Avenue South Suite 320 | | Birmingham | AL | 35205-0000 |
| City of Adamsville | Attn City Clerk | 4828 Main Street | | Adamsville | AL | 35005-0000 |
| CITY OF BESSEMER | TAVANEKA TURNER | 1800 3RD AVE N | | BESSEMER | AL | 35020-0000 |
| City of Bessemer, Alabama d/b/a Bessemer Water Service | Attn Mayor | 1600 1st Avenue North | | Bessemer | AL | 35021-0000 |
| City of Bessemer, Alabama d/b/a Bessemer Water Service | Attn R. Shan Paden | Paden & Coleman | 1813 3rd Avenue North Suite 200 | Bessemer | AL | 35020-0000 |
| City of Birmingham | | Room T- 100 | 710 20TH ST N | BIRMINGHAM | AL | 35203-0000 |
| City of Center Point | | PO Box 9847 | | Center Point | AL | 35220-0000 |
| City of Fairfield | Attn Mayor | 4701 Gary Avenue | | Fairfield | AL | 35064-0000 |
| City of Fultondale | Attn Mayor | Post Office Box 699 | | Fultondale | AL | 35068-0000 |
| City of Gardendale | Attn Mayor | 960 Main Street | | Gardendale | AL | 35071-0000 |
| City of Graysville | Attn Mayor | 246 South Main Street | | Graysville | AL | 35073-0000 |
| City of Homewood | Attn Mayor | 2850 19th Street South | | Homewood | AL | 35209-0000 |
| City of Hoover | Attn Mayor | 100 Municipal Lane | | Hoover | AL | 35216-0000 |
| City of Hoover, Alabama | Attention Robert Yeager, Director of Finance | 100 Municipal Lane | | Hoover | AL | 35244-0000 |
| City of Hueytown | Attn Mayor | 1318 Hueytown Road | | Hueytown | AL | 35023-0000 |
| City of Hueytown | Janice Wilhite, City Clerk | Hueytown City Hall | 1318 Hueytown Road | Hueytown | AL | 35023-0000 |
| City of Irondale | Attn Mayor | 101 20th Street South | | Irondale | AL | 35210-0000 |
| City of Irondale, Alabama | Attn Greg Morris | PO Box 100188 | | Irondale | AL | 35210-0000 |
| City of Irondale, Alabama | Attn Mayor | PO Box 100188 | | Irondale | AL | 35210-0000 |
| City of Midfield | Attn Mayor | 725 Bessemer Superhighway | | Midfield | AL | 35228-0000 |
| City of Mountain Brook | Attn Mayor | 56 Church Street | | Mountain Brook | AL | 35213-0000 |
| City of Mountain Brook | | PO Box 130009 | | Mountain Brook | AL | 35213-0000 |
| City of Pleasant Grove | | 501 Park Road | | Pleasant Grove | AL | 35127-0000 |
| City of Pleasant Grove | Attn Mayor | 501 Park Road | | Pleasant Grove | AL | 35127-0000 |
| City of Trussville | Attn Mayor | PO Box 159 | | Trussville | AL | 35173-0000 |
| City of Trussville | Attn Mayor | 131 Main Street | | Trussville | AL | 35173-0000 |
| City of Vestavia Hills | | PO Box 660854 | | Vestavia | AL | 35266-0000 |
| City of Vestavia Hills | Attn Mayor | 513 Montgomery Hwy | | Vestavia Hills | AL | 35216-0000 |
| City of Warrior | Attn Mayor | 215 Main Street | | Warrior | AL | 35180-0000 |
| City of Warrior | | 215 Main Street | | Warrior | AL | 35180-0000 |
| Civil Engineering Associates (CE Associates) | | 5229 Airport Hwy | | Birmingham | AL | 35212-0000 |

Exhibit C
Contract Parties - First-Class Mail

| CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|--|-------------------------------------|---|-----------------------------------|---------------|-------|------------|
| Corner Community Park Association | | 1992 Mayfield Road | | Warrior | AL | 35180-0000 |
| Cox Landscaping | | 6208 Lupre Circle | | Birmingham | AL | 35111-0000 |
| Crown Castle South, LLC | | 200 Corporate Drive | | Canonsburg | PA | 15317-0000 |
| Davlin, LLC | | 305 Misty Water Drive | | Columbiana | AL | 35051-0000 |
| Donald Mulvehill, Licensee | | 8224 Mulvehill Road | | Morris | AL | 35116-0000 |
| Enersolv Corporation | | 2220 Beltline Road SW | PO Box 1646 | Decatur | AL | 35601-0000 |
| Engineering Service Associates, Inc. | | Two Perimeter Park South 160 East | | Birmingham | AL | 35243-0000 |
| Engineering Services Associates, Inc. | | 2 Perimeter Park South, Suite 160 East | | Birmingham | AL | 35243-0000 |
| Engineers of the South, LLC | | 2025 First Avenue North Suite 100 | | Birmingham | AL | 35203-0000 |
| E-ring Inc. | | 6703 Odyssey Drive NW | Suite 104 | Huntsville | AL | 35806-0000 |
| ERS Group | c/o Janet R. Thornton, Ph.D. | 4901 Tower Court | | Tallahassee | FL | 32303-0000 |
| Fisher Health Care | Thermo Fisher | Financial Services | 81 Wyman Street | Waltham | MA | 02454-0000 |
| Gary L. Owen and Associates, Inc. | | 510 Emery Drive West | | Hoover | AL | 35244-0000 |
| Gresham Smith and Partners | | 3595 Grandview Parkway Suite 300 | | Birmingham | AL | 35243-0000 |
| Haren Construction Company, Inc. | | 1715 Highway 411 North | PO Box 350 | Etawah | TN | 37331-0000 |
| Hatch McDonald | | 2320 Highland Avenue South | Ste 175 | Birmingham | AL | 35233-0000 |
| Hazen and Sawyer, P.C. | | 5775 Peachtree Dunwoody Rd. | Suite D-520 | Atlanta | GA | 30342-0000 |
| Holders of Lease Revenue Warrants, Series 2006 | Attn Dean Matthews | First Commercial Bank | P.O. Box 11746 | Birmingham | AL | 35202-0000 |
| Holders of Limited Obligation School Warrants, Series 2004-A | Charles S. Hodges Vice President | U.S. Bank Corporate Trust Services | 214 North Tryon Street 27th Floor | Charlotte | NC | 28202-0000 |
| Holders of Limited Obligation School Warrants, Series 2005-A | Charles S. Hodges Vice President | U.S. Bank Corporate Trust Services | 214 North Tryon Street 27th Floor | Charlotte | NC | 28202-0000 |
| Huynh Centerpoint, LLC | | 1411 Legacy Lane | | Birmingham | AL | 35242-0000 |
| Insituform Technologies, Inc. | | 17988 Edison Avenue | | Chesterfield | MO | 63005-0000 |
| Intersystem Corporation | | One Memorial Drive | | Cambridge | MA | 02142-0000 |
| Jefferson County Board of Education | | 2100 18th Street South | | Birmingham | AL | 35209-0000 |
| Jefferson County Board of Education | Attn Whit Colvin | Bishop, Colvin, Johnson & Kent, LLC | 1910 First Avenue North | Birmingham | AL | 35203-0000 |
| Jefferson County Board of Education | Jefferson County Board of Education | Attn Superintendent Phillip B. Hammonds | 2100 18th Street South | Birmingham | AL | 35209-0000 |
| Jordan Excavating, Inc. | | 740 Volare Drive | | Birmingham | AL | 35244-0000 |
| Lions Den Club, Inc. | | 3116 Hillcrest Trace | | Adamsville | AL | 35005-0000 |
| Morris and Dickson Co, LLC | | 1776 Woodstead Court Suite 125 | | The Woodlands | TX | 77380-0000 |
| P.F. Moon & Company, Inc. | | PO Box 346 | | West Point | GA | 31833-0000 |
| Schneider Electric | | 30000 Mill Creek Avenue | Ste 300 | Alpharetta | GA | 30022-0000 |
| Southern Communications Services, Inc. | Attn Manager of Operations | 600 North 18th Street | | Birmingham | AL | 35203-0000 |
| The City of Birmingham | | 710 North 20th Street 2nd Floor City Hall | | Birmingham | AL | 35203-0000 |
| The Hollywood, LLC | | 3104 Blue Lake Drive | Suite 200 | Birmingham | AL | 35243-0000 |
| Thermo Fisher Financial Services, Inc. | | 81 Wyman Street | | Waltham | MA | 02454-0000 |
| Thompson Architecture | | 1314 Cobb Lane | | Birmingham | AL | 35205-0000 |
| Town of Morris | Attn Mayor | 8304 Stouts Rd | | Morris | AL | 35116-0000 |
| Town of Mulga | Attn Mayor | 505 Mulga Loop Road | | Mulga | AL | 35118-0000 |
| Unisys | | 11720 Plaza America Drive | Tower 3 Mailstop 13-537 | Reston | VA | 20190-0000 |
| Unisys Corporation | c/o Dana S. Plon, Esquire | 123 South Broad Street, Suite 2100 | | Philadelphia | PA | 19109-0000 |
| University of AL | Care of Mentally Ill | 619 19th Street South | UAB MEB 300 | Birmingham | AL | 35294-0000 |
| Utilities Board of the City of Trussville, Alabama | Attn General Manager | PO Box 819 | | Trussville | AL | 35173-0000 |
| Utilities Board of the City of Trussville, Alabama | Attn Carl Johnson | Bishop Colvin Johnson & Kent | 1910 First Avenue North | Birmingham | AL | 35203-0000 |
| Utilities Board of the City of Trussville, Alabama | Attn Burgin H. Kent | Bishop Colvin Johnson & Kent | 1910 First Avenue North | Birmingham | AL | 35203-0000 |
| Veolia ES Solid Waste Southeast, Inc. | | 3301 Acmar Road | | Moody | AL | 35004-0000 |

Exhibit C
 Contract Parties - First-Class Mail

| CreditorName | CreditorNoticeName | Address1 | Address2 | City | State | Zip |
|---|--------------------|------------------------------------|----------|------------|-------|------------|
| Vision Landscapes, Inc. | | PO Box 101324 | | Irondale | AL | 35210-0000 |
| W. H. Capital, LLC | | 5986 Financial Drive | | Norcross | GA | 30071-0000 |
| Water Works Board of the City of Birmingham, Alabama | Attn Mac Underwood | 3600 First Avenue North | | Birmingham | AL | 35283-0110 |
| Xerox Corporation | | 1000 Urban Center Drive, Suite 600 | | Birmingham | AL | 35242-0000 |
| Xerox Corporation | Attn Vanessa Adams | 1301 Ridgeview Dr - 450 | | Lewisville | TX | 75057-0000 |
| YWCA | | 309 North 23rd Street | | Birmingham | AL | 35203-0000 |

Exhibit D

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

| | | |
|--|--|---|
| <p>In re:</p> <p>JEFFERSON COUNTY, ALABAMA, a political subdivision of the State of Alabama,</p> <p style="text-align: center;">Debtor.</p> | <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> <p>)</p> | <p>Case No. 11-05736-TBB</p> <p>Chapter 9</p> |
|--|--|---|

**NOTICE OF PROPOSED ASSUMPTION OF EXECUTORY CONTRACTS AND
UNEXPIRED LEASES BY JEFFERSON COUNTY, ALABAMA AND
ASSOCIATED CURE PAYMENTS**

PLEASE BE ADVISED that, by order dated August 7, 2013, the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the “Bankruptcy Court”) approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”), filed by Jefferson County, Alabama (the “County”), and authorized the County to solicit votes with respect to the approval or rejection of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the “Plan”).

PLEASE BE FURTHER ADVISED that you are receiving this notice because you have been listed by the County as a counterparty to an executory contract or unexpired lease that the County proposes to assume pursuant to Section 3.1 of the Plan (each an “Assumed Agreement”).¹ You should review the enclosed Schedule of Assumed Agreements (the “Schedule”) and locate your executory agreement or unexpired lease. Pursuant to applicable bankruptcy law, if a default exists under your Assumed Agreement, you are entitled to a prompt cure, or adequate assurance of the prompt cure, of any such default. The Schedule contains the cure payments that the County believes are necessary to cure existing defaults under the Assumed Agreements (the “Cure Payments”), which Cure Payments will be paid pursuant to the Plan.

PLEASE BE FURTHER ADVISED that a hearing (the “Confirmation Hearing”) to consider confirmation of the Plan, and to consider objections, if any, to (i)

¹ Your receipt of this notice does not constitute an admission by the County that your agreement actually constitutes an executory contract or unexpired lease under section 365 of the Bankruptcy Code, and the County expressly reserves the right to challenge the status of any agreement up until the time of the Confirmation Hearing.

confirmation of the Plan, (ii) the Cure Payments listed in the Schedule, and (iii) the County's assumption of the Assumed Agreements, will be held on **November 12, 2013 at 9:00 a.m. (prevailing Central time)**, before the Honorable Thomas B. Bennett, United States Bankruptcy Judge, at the Robert S. Vance Federal Building, 1800 5th Avenue North, Birmingham, Alabama 35203. The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the County in open court of the adjourned date(s) at the Confirmation Hearing or any continued hearing, and the Plan may be amended, supplemented, or modified, if necessary, prior to, during, or as a result of the Confirmation Hearing in accordance with the terms of the Plan and 11 U.S.C. § 942, without further notice to interested parties. In addition, the County has reserved the right to amend the Schedule at any time prior to the Effective Date of the Plan (i) to delete any executory contract or unexpired lease and provide for its rejection under the Plan or otherwise, or (ii) to add any executory contract or unexpired lease and provide for its assumption under the Plan. The County will provide notice of any amendment to the Schedule to the party or parties to those agreements affected by the amendment.

PLEASE BE FURTHER ADVISED that if you object to the Cure Payment listed in the Schedule for your Assumed Agreement, or otherwise object to the County's assumption of your Assumed Agreement under the Plan, you must file a written objection with the Bankruptcy Court. Objections to the County's assumption of any Assumed Agreement, or to any Cure Payment listed in the Schedule, must (i) be in writing; (ii) be in the English language; (iii) state the name and address of the objecting party; (iv) state with particularity the basis and nature of the objection to the proposed assumption or Cure Payment; (v) include any evidence in support of the objection; and (vi) be filed, together with proof of service, with the Bankruptcy Court and served on the County and all parties on the Master Service List (as that term is defined in the Bankruptcy Court's *Order Approving Motion to Establish Notice, Service, and Case Management Procedures Pursuant to Sections 102(1)(A) and 105 of the Bankruptcy Code, and Bankruptcy Rule 2002(m)*),² so as to be received no later than **October 21, 2013 at 4:00 p.m. (prevailing Central time)**. Any party that fails to timely file and serve its objection and supporting evidence shall be deemed to waive any and all objections to the proposed assumption (including the proposed Cure Payment) of its Assumed Agreement. **IN THE ABSENCE OF A TIMELY OBJECTION, CONFIRMATION OF THE PLAN SHALL CONSTITUTE A CONCLUSIVE DETERMINATION REGARDING THE AMOUNT OF ANY CURE PAYMENTS AND COMPENSATION DUE UNDER THE APPLICABLE ASSUMED AGREEMENT, AS WELL AS A CONCLUSIVE FINDING THAT THE COUNTY HAS DEMONSTRATED ADEQUATE ASSURANCE OF FUTURE PERFORMANCE WITH RESPECT TO SUCH ASSUMED AGREEMENT, TO THE EXTENT REQUIRED.**

² The Master Service List is filed from time to time in the County's bankruptcy case and available at <http://www.jeffersoncountyrestructuring.com> through the link to "Master Service List."

PLEASE BE FURTHER ADVISED that if you object to confirmation of the Plan for any reason other than those specified above, you must file and serve a written objection to confirmation. Objections to the confirmation of the Plan must (i) be in writing; (ii) be in the English language; (iii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (iv) state with particularity the basis and nature of any objection to the Plan; (v) include any evidence in support of any objection; and (vi) be filed, together with proof of service, with the Bankruptcy Court and served on the County and all parties on the Master Service List, so as to be received no later than **October 7, 2013 at 4:00 p.m. (prevailing Central time)**. **IF ANY OBJECTION TO CONFIRMATION OF THE PLAN IS NOT FILED AND SERVED STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY WILL BE BARRED FROM OBJECTING TO CONFIRMATION OF THE PLAN AND WILL NOT BE HEARD AT THE CONFIRMATION HEARING.**

PLEASE BE FURTHER ADVISED that copies of the Plan, Disclosure Statement and the complete plan supplement containing the Schedule (as it may be revised, modified, or supplemented from time to time, the "Plan Supplement") are available for review and download on the website of the County's Claims and Noticing Agent and Ballot Tabulator, Kurtzman Carson Consultants LLC ("KCC"), at <http://www.jeffersoncountyrestructuring.com>. In addition, copies of the Plan, Disclosure Statement, and Plan Supplement are available upon request by contacting KCC at Jefferson County Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245 or by telephone at (866) 967-0677. Copies of the Plan, Disclosure Statement, and Plan Supplement are also available for review and download at the Bankruptcy Court's website, www.alnb.uscourts.gov. Alternatively, these documents may be accessed through the Bankruptcy Court's "PACER" website, <https://ecf.alnb.uscourts.gov>. A PACER password and login are needed to access documents on the Court's "PACER" website. A PACER password can be obtained at <http://www.pacer.gov>.

Dated: September 30, 2013

Exhibit 4

Initial Schedule of Assumed Agreements

Attached is the initial list of pre-petition unexpired leases and executory contracts (the “Assumed Agreements”) the County intends to assume pursuant to the Plan. As set forth in the Plan, unless otherwise stated, each Assumed Agreement listed herein includes any and all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument or other document that in any manner affects such Assumed Agreement, without regard to whether such agreement, instrument, or other document is also listed herein. This Initial Schedule of Assumed Agreements does *not* include executory contracts and unexpired leases that the County entered into after the Petition Date (“Post-Petition Agreements”), as the Plan provides that such Post-Petition Agreements will be assumed and retained by the County and will remain in full force and effect following the Effective Date of the Plan.

The County reserves the right to amend the Schedule of Assumed Agreements at any time prior to the Effective Date (i) to delete any executory contract or unexpired lease and provide for its rejection under the Plan or otherwise, or (ii) to add any executory contract or unexpired lease and provide for its assumption under the Plan. The County will provide notice of any amendment to the Schedule of Assumed Agreements to the party or parties to those agreements affected by the amendment.

The County reserves all rights, claims, and defenses with respect to proofs of claim, motions, or other filings filed by any counterparty to the Assumed Agreements, including the right to object to proofs of claim filed by such counterparties.

| Name of Creditor | Creditor's Mailing Address | City | State | Zip Code | Contract Date | Contract Name | Cure Payment |
|--|---|--------------|-------|------------|---------------|--|--------------|
| BOARD OF EQUALIZATION | | | | | | | |
| E-ring Inc. | 6703 Odyssey Drive NW Suite 104 | Huntsville | AL | 35806 | 10/1/2010 | Integrated Tax System Services Contract (0001555) | \$0.00 |
| PROBATE COURT | | | | | | | |
| American Cadastre LLC (AmCad) | 220 Spring Street, Suite 150 | Herndon | VA | 20170 | 9/23/2010 | Amcad Software Maintenance & Update Agreement | \$0.00 |
| American Cadastre LLC (AmCad) | 220 Spring Street, Suite 150 | Herndon | VA | 20170 | 8/28/2010 | Jefferson County Probate Court AMCAD System/Services Contract | \$22,442.00 |
| University of AL/Care of Mentally Ill | UAB MEB 300 619 19th Street South | Birmingham | AL | 35294 | 2/1/2011 | Professional Services Contract Inter-cooperation Agreement for Care of the Mentally Ill | \$0.00 |
| GENERAL SERVICES | | | | | | | |
| City of Center Point | PO Box 9847 | Center Point | AL | 35220 | 1/5/2009 | License Agreement | \$0.00 |
| Corner Community Park Association | 1992 Mayfield Road | Warrior | AL | 35180 | 1/13/1987 | Lease Agreement | \$0.00 |
| Jefferson County Board of Education | 2100 18th Street South | Birmingham | AL | 35209 | 7/12/2005 | Lease Agreement | \$0.00 |
| Lion's Den Club, Inc. | 3116 Hillcrest Trace | Adamsville | AL | 35005 | 7/20/2010 | License Agreement | \$0.00 |
| Town of Morris | Attn: Mayor 8304 Stouts Rd | Morris | AL | 35116 | 10/20/1997 | Lease Agreement | \$0.00 |
| ENVIRONMENTAL SERVICES | | | | | | | |
| AAA Solutions, Inc. | PO Box 170215 | Birmingham | AL | 35217 | 10/15/2009 | Portable Toilet Rental Contract | \$0.00 |
| Alabama Department of Transportation | 1020 Bankhead Highway West PO Box 2745 | Birmingham | AL | 35202 | 8/19/2008 | Reimbursable Agreement for the Relocation of Utility Facilities | \$0.00 |
| Alabama Department of Transportation | 1020 Bankhead Highway West PO Box 2745 | Birmingham | AL | 35202 | 9/16/2011 | Supplemental Agreement for Utility Relocation Cost | \$0.00 |
| Alabama Institute for Deaf and Blind | PO Box 698 | Talladega | AL | 35161-0698 | 6/28/2011 | Conditional Consent to Encroachment and Release of Damages | \$0.00 |
| Alabama Power Company | 600 North 18th Street/3S-1635 | Birmingham | AL | 35203 | 6/27/2011 | Contract for Electric Service (Village Creek Waste Water Facility) | \$0.00 |
| Alabama Power Company | 600 North 18th Street/3S-1635 | Birmingham | AL | 35203 | 6/13/2008 | Contract for Electric Service (Five Mile Creek Waste Water Facility) | \$0.00 |
| Alabama Power Company | 600 North 18th Street/3S-1635 | Birmingham | AL | 35203 | 6/13/2008 | Standby Generator Program Agreement | \$0.00 |
| Alabama Power Company | 600 North 18th Street/3S-1635 | Birmingham | AL | 35203 | 6/27/2011 | Standby Generator Program Agreement (Village Creek Waste Water Facility) | \$0.00 |
| Almon Associates | 2008 12th Street | Tuscaloosa | AL | 35403 | 8/11/2009 | ADOT Agreement for Engineering Services by Consultant on on Utility Projects (Rex Lake Road) | \$0.00 |
| Azteca Systems Inc. | 11075 South State St #24 | Sandy | UT | 84070 | 2/2/2010 | Cityworks Update & Support Agreement (Contract Number 154-08R) | \$0.00 |
| Azteca System Inc. | 11075 South State St #24 | Sandy | UT | 84070 | 11/27/2012 | Contract Amendment 3 | \$0.00 |
| Braswell Mccalla Properties LLC | PO Box 248 | Warrior | AL | 35180 | 9/13/2011 | Agreement | \$0.00 |
| City of Bessemer, Alabama d/b/a Bessemer Water Service | Attn: Mayor 1600 1st Avenue North | Bessemer | AL | 35021 | 3/1/1978 | Agreement related to sewer billing | \$0.00 |

| Name of Creditor | Creditor's Mailing Address | City | State | Zip Code | Contract Date | Contract Name | Cure Payment |
|--|--|------------|-------|----------|---------------|--|--------------|
| City of Bessemer, Alabama d/b/a Bessemer Water Service | Paden & Coleman 1813 3rd Avenue North, Suite 200 Bessemer, AL 35020 Attn: R. Shan Paden | Bessemer | AL | 35020 | 3/1/1978 | Agreement related to sewer billing | \$0.00 |
| City of Irondale, Alabama | Attn: Mayor P.O. Box 100188 | Irondale | AL | 35210 | 6/2/2009 | Agreement related to sewer billing | \$0.00 |
| City of Irondale, Alabama | Attn: Greg Morris P.O. Box 100188 | Irondale | AL | 35210 | 6/2/2009 | Agreement related to sewer billing | \$0.00 |
| City of Trussville | Attn: Mayor P.O. Box 159 | Trussville | AL | 35173 | 10/2/2007 | Agreement dated related to sewer billing | \$0.00 |
| CH2M Hill | 2112 Eleventh Avenue South Suite 320 | Birmingham | AL | 35205 | 2/16/2010 | ADOT Agreement for Engineering Services by Consultant on Utility Projects (Chapel Lane Extension) | \$29,680.67 |
| Cox Landscaping | 6208 Lupre Circle | Birmingham | AL | 35111 | 9/21/2011 | Contract for Grounds Keeping Services at Shades Valley Facility Pump Stations and Miscellaneous | \$5,000.00 |
| Davlin, LLC | 305 Misty Water Drive | Columbiana | AL | 35051 | 7/19/2011 | Contract for Grounds Keeping Services at the Village Creek WWTP | \$8,500.00 |
| Enersolv Corporation | PO Box 1646 2220 Beltline Road SW | Decatur | AL | 35601 | 1/26/2010 | Agreement (Contract No. 16-10) | \$12,892.00 |
| Engineering Services Associates, Inc. | 2 Perimeter Park South, Suite 160 East | Birmingham | AL | 35243 | 5/13/2011 | Agreement (Engineering Design Services for Fairmont, Halls Branch and Harriman Pump Station Upgrades) | \$0.00 |
| Engineering Services Associates, Inc. | 2 Perimeter Park South, Suite 160 East | Birmingham | AL | 35243 | 7/17/2012 | Amendment No. 1 to Agreement to Provide Engineering Design Services for Fairmont, Halls Branch and Harriman Pump Station Upgrades | \$0.00 |
| Engineers of the South, LLC | 2025 First Avenue North Suite 100 | Birmingham | AL | 35203 | 1/5/2011 | Agreement (Professional Engineering Services for Tin Mill Road Sanitary Sewer Study and Replacement) | \$23,085.50 |
| Gary L. Owen and Associates, Inc. | 510 Emery Drive West | Hoover | AL | 35244 | 1/5/2011 | Agreement (Valley Creek Wastewater Treatment Plant Improvements Phase VIII Construction Review) | \$0.00 |
| Gresham Smith and Partners | 3595 Grandview Parkway Suite 300 | Birmingham | AL | 35243 | 8/16/2011 | Agreement (Professional Engineering Services for Cahaba 4 Television Inspection -- Specification, Bidding, and Construction Management) | \$0.00 |
| Gresham Smith and Partners | 3595 Grandview Parkway Suite 300 | Birmingham | AL | 35243 | 12/10/2012 | Amendment No. 1 to Agreement to Provide Engineering Design Services for Cahaba 4 Television Inspection -- Specification, Bidding, and Construction Management Services | \$4,953.26 |
| Haren Construction Company, Inc. | 1715 Highway 411 North PO Box 350 | Etowah | TN | 37331 | 10/11/2011 | Contract (Cahaba River WWTP Influent Pump Station Upgrades) | \$54,923.48 |

| Name of Creditor | Creditor's Mailing Address | City | State | Zip Code | Contract Date | Contract Name | Cure Payment |
|--|---|--------------|-------|------------|--|---|--------------|
| Hazen and Sawyer, P.C. | 5775 Peachtree Dunwoody Rd. Suite D-520 | Atlanta | GA | 30342 | 4/19/2011 | Agreement to Provide Professional Engineering Services for the Village Creek Wastewater Treatment Plant Waste Gas Energy Recovery and Plant Optimization Improvements Project | \$242,423.56 |
| Hazen and Sawyer, P.C. | 5775 Peachtree Dunwoody Rd. Suite D-520 | Atlanta | GA | 30342 | 8/29/2011 | Agreement to Provide Professional Engineering Services for the Jefferson County Wastewater Treatment Plant Air Permitting Assistance Project | \$10,401.48 |
| Hazen and Sawyer, P.C. | 5775 Peachtree Dunwoody Rd. Suite D-520 | Atlanta | GA | 30342 | 9/11/2012 | Amendment No. 1 | \$0.00 |
| Huynh Centerpoint, LLC | 1411 Legacy Lane | Birmingham | AL | 35242 | 10/19/2010 | Agreement | \$0.00 |
| Insituform Technologies, Inc. | 17988 Edison Avenue | Chesterfield | MO | 63005 | 5/5/2011 | Contract (2011 Annual Collection System Rehabilitation, Contract 1) | \$0.00 |
| Insituform Technologies, Inc. | 17988 Edison Avenue | Chesterfield | MO | 63005 | 8/17/2010 | Contract (2010 Annual Collection System Rehabilitation, Contract 1) | \$178,919.64 |
| Jordan Excavating, Inc. | 740 Volare Drive | Birmingham | AL | 35244 | 10/20/2011 | Contract (Chapel Lane Extension Sewer Relocation Project) | \$0.00 |
| P.F. Moon & Company, Inc. | PO Box 346 | West Point | GA | 31833 | 6/8/2011 | Contract (Valley Creek Wastewater Treatment Plant Improvements Phase VIII) | \$38,103.89 |
| Schneider Electric | 30000 Mill Creek Avenue Ste 300 | Alpharetta | GA | 30022 | 6/9/2011 | Software Support Contract | \$0.00 |
| The City of Birmingham | 710 North 20th Street 2nd Floor City Hall | Birmingham | AL | 35203 | 9/14/2010 | Sanitary Sewer Easement Encroachment Agreement | \$0.00 |
| The Hollywood, LLC | 3104 Blue Lake Drive Suite 200 | Birmingham | AL | 35243 | 6/29/2010 | Agreement | \$0.00 |
| Utilities Board of the City of Trussville, Alabama | Attn: General Manager P.O. Box 819 | Trussville | AL | 35173 | 10/2/2007 | Agreement related to sewer billing | \$0.00 |
| Utilities Board of the City of Trussville, Alabama | Bishop, Colvin, Johnson & Kent Attn: Burgin H. Kent 1910 First Avenue North | Birmingham | AL | 35203 | 10/2/2007 | Agreement related to sewer billing | \$0.00 |
| Utilities Board of the City of Trussville, Alabama | Bishop, Colvin, Johnson & Kent Attn: Carl Johnson 1910 First Avenue North | Birmingham | AL | 35203 | 10/2/2007 | Agreement related to sewer billing | \$0.00 |
| Veolia ES Solid Waste Southeast, Inc. | 3301 Acmar Road | Moody | AL | 35004 | 3/22/2007 | Residential Solid Waste Collection Franchise Agreement | \$0.00 |
| Vision Landscapes, Inc. | PO Box 101324 | Irondale | AL | 35210 | 7/19/2011 | Contract for Grounds Keeping Services at Leeds and Trussville WWTPs, Cahaba River WWTP, Five Mile Creek WWTP and Valley Creek WWTP | \$33,909.77 |
| Water Works Board of the City of Birmingham, Alabama | Attn: Mac Underwood 3600 First Avenue North | Birmingham | AL | 35283-0110 | 8/22/1961 and amendment dated 11/29/1994 | Agreements related to sewer billing | \$0.00 |
| W. H. Capital, LLC | 5986 Financial Drive | Norcross | GA | 30071 | 1/25/2011 | Agreement | \$0.00 |

| Name of Creditor | Creditor's Mailing Address | City | State | Zip Code | Contract Date | Contract Name | Cure Payment |
|--|--|---------------|-------|------------|---------------|--|--------------|
| COOPER GREEN | | | | | | | |
| 3M | 575 West Murray Boulevard | Murray | UT | 84123 | 8/10/2010 | Software License and Services Agreement | \$0.00 |
| Abbott Laboratories Inc. | 100 Abbott Park Road D-943, AP8C | Abbott Park | IL | 60064-6095 | 6/16/2011 | Equipment Service Program Agreement | \$0.00 |
| Fisher Health Care | Thermo Fisher Financial Services 81 Wyman Street | Waltham | MA | 02454 | 6/15/2011 | Master Agreement | \$124.00 |
| Intersystem Corporation | One Memorial Drive | Cambridge | MA | 02142 | 2/1/2011 | Software Support Contract | \$0.00 |
| Morris and Dickson Co, LLC | 1776 Woodstead Court Suite 125 | The Woodlands | TX | 77380 | 3/1/2011 | Pharmaceutical Distribution Services for Cooper Green Mercy Hospital | \$379,819.46 |
| Thermo Fisher Financial Services, Inc. | 81 Wyman Street | Waltham | MA | 02454 | 6/16/2011 | Master Lease Agreement | \$0.00 |
| IT DEPARTMENT | | | | | | | |
| Alagasco | 605 Richard Arrington | Birmingham | AL | 35203 | 6/23/1992 | Revocable License Agreement | \$0.00 |
| American Tower Management, LLC | Attn: Contracts Manager 10 Presidential Way | Woburn | MA | 01801 | 12/27/2005 | License Agreement | \$914.63 |
| AT&T | 3196 Hwy 280 E | Birmingham | AL | 35243 | 6/29/2010 | Contracted Services Agreement | \$9,142.36 |
| Crown Castle South, LLC | 200 Corporate Drive | Canonsburg | PA | 15317 | 10/25/2005 | Government Entity Tower License Agreement | \$0.00 |
| Southern Communications Services, Inc. | Attn: Manager of Operations 600 North 18th Strret | Birmingham | AL | 35203 | 5/22/1995 | Lease Agreement | \$0.00 |
| Unisys | 11720 Plaza America Drive Tower 3, Mailstop 13-537 | Reston | VA | 20190 | 4/26/2011 | Libra 450 Production System Comprehensive Implementation Service Statement of Work | \$42,480.72 |
| Xerox Corporation | 1000 Urban Center Drive, Suite 600 | Birmingham | AL | 35242 | 2/2/2010 | Lease Agreement | \$0.00 |
| ROADS & TRANSPORTATION | | | | | | | |
| City of Adamsville | Attn: City Clerk 4828 Main Street | Adamsville | AL | 35005 | 2/24/1993 | Agreement Between Jefferson County, Alabama and the City of Adamsville for Traffic Signal Maintenance Services | \$0.00 |
| City of Fairfield | Attn: Mayor 4701 Gary Avenue | Fairfield | AL | 35064 | 12/26/1989 | Agreement Between Jefferson County, Alabama and the City of Fairfield for Traffic Signal Maintenance Services | \$0.00 |
| City of Fultondale | Attn: Mayor Post Office Box 699 | Fultondale | AL | 35068 | 12/26/1989 | Agreement Between Jefferson County, Alabama and the City of Fultondale for Traffic Signal Maintenance Services | \$0.00 |
| City of Gardendale | Attn: Mayor 960 Main Street | Gardendale | AL | 35071 | 12/26/1989 | Agreement Between Jefferson County, Alabama and the City of Gardendale for Traffic Signal Maintenance Services | \$0.00 |
| City of Graysville | Attn: Mayor 246 South Main Street | Graysville | AL | 35073 | 12/26/1989 | Agreement Between Jefferson County, Alabama and the City of Graysville for Traffic Signal Maintenance Services | \$0.00 |

| Name of Creditor | Creditor's Mailing Address | City | State | Zip Code | Contract Date | Contract Name | Cure Payment |
|------------------------|--|----------------|-------|----------|---------------|--|--------------|
| City of Homewood | Attn: Mayor 2850 19th Street South | Homewood | AL | 35209 | 12/26/1989 | Agreement Between Jefferson County, Alabama and the City of Homewood for Traffic Signal Maintenance Services | \$0.00 |
| City of Hoover | Attn: Mayor 100 Municipal Lane | Hoover | AL | 35216 | 12/26/1989 | Agreement Between Jefferson County, Alabama and the City of Hoover for Traffic Signal Maintenance Services | \$0.00 |
| City of Hueytown | Attn: Mayor 1318 Hueytown Road | Hueytown | AL | 35023 | 4/24/1989 | Agreement Between Jefferson County, Alabama and the City of Hueytown for Traffic Signal Maintenance Services | \$0.00 |
| City of Irondale | Attn: Mayor 101 20th Street South | Irondale | AL | 35210 | 1/2/1990 | Agreement Between Jefferson County, Alabama and the City of Irondale for Traffic Signal Maintenance Services | \$0.00 |
| City of Midfield | Attn: Mayor 725 Bessemer Superhighway | Midfield | AL | 35228 | 6/23/1905 | Agreement Between Jefferson County, Alabama and the City of Midfield for Traffic Signal Maintenance Services | \$0.00 |
| Town of Morris | Attn: Mayor 8304 Stouts Rd | Morris | AL | 35116 | 4/16/1997 | Agreement Between Jefferson County, Alabama and the Town of Morris for Traffic Signal Maintenance Services | \$0.00 |
| City of Mountain Brook | PO Box 130009 | Mountain Brook | AL | 35213 | 5/11/2011 | Memorandum of Understanding Between the Jefferson County Commission and the City of Mountain Brook, Alabama Regarding Request for Assistance with Debris Removal | \$0.00 |
| City of Mountain Brook | Attn: Mayor 56 Church Street | Mountain Brook | AL | 35213 | 6/26/1989 | Agreement Between Jefferson County, Alabama and the City of Mountain Brook for Traffic Signal Maintenance Services | \$0.00 |
| Town of Mulga | Attn: Mayor 505 Mulga Loop Road | Mulga | AL | 35118 | 12/26/1989 | Agreement Between Jefferson County, Alabama and the Town of Mulga for Traffic Signal Maintenance Services | \$0.00 |
| City of Pleasant Grove | 501 Park Road | Pleasant Grove | AL | 35127 | 5/5/2011 | Memorandum of Understanding Between the Jefferson County Commission and the City of Pleasant Grove, Alabama Regarding Request for Assistance with Debris Removal | \$0.00 |
| City of Pleasant Grove | Attn: Mayor 501 Park Road | Pleasant Grove | AL | 35127 | 7/31/1991 | Agreement Between Jefferson County, Alabama and the City of Pleasant Grove for Traffic Signal Maintenance Services | \$0.00 |
| City of Trussville | Attn: Mayor 131 Main Street | Trussville | AL | 35173 | 1/24/1995 | Agreement Between Jefferson County, Alabama and the City of Trussville for Traffic Signal Maintenance Services | \$0.00 |

| Name of Creditor | Creditor's Mailing Address | City | State | Zip Code | Contract Date | Contract Name | Cure Payment |
|--|-------------------------------------|----------------|-------|----------|---------------|--|--------------|
| City of Vestavia Hills | Attn: Mayor 513 Montgomery Hwy | Vestavia Hills | AL | 35216 | 12/26/1989 | Agreement Between Jefferson County, Alabama and the City of Vestavia Hills for Traffic Signal Maintenance Services | \$0.00 |
| City of Vestavia Hills | PO Box 660854 | Vestavia | AL | 35266 | 5/12/2011 | Memorandum of Understanding Between the Jefferson County Commission and the City of Vestavia Hills, Alabama Regarding Request for Assistance with Debris Removal | \$0.00 |
| City of Warrior | 215 Main Street | Warrior | AL | 35180 | 5/18/2011 | Memorandum of Understanding Between the Jefferson County Commission and the City of Warrior, Alabama Regarding Request for Assistance with Debris Removal | \$0.00 |
| City of Warrior | Attn: Mayor 215 Main Street | Warrior | AL | 35180 | 4/4/1989 | Agreement Between Jefferson County, Alabama and the City of Warrior for Traffic Signal Maintenance Services | \$0.00 |
| Donald Mulvehill, Licensee | 8224 Mulvehill Road | Morris | AL | 35116 | 5/10/2011 | License | \$0.00 |
| COMMUNITY & ECONOMIC DEVELOPMENT | | | | | | | |
| Civil Engineering Associates (CE Associates) | 5229 Airport Hwy | Birmingham | AL | 35212 | 7/26/2011 | Agreement for Provision of Engineering Services, Project: Edgewater Community Park, Project ID: CDBG10-03F-U03-EDG | \$9,605.25 |
| Engineering Service Associates, Inc. | Two Perimeter Park South 160 East | Birmingham | AL | 35243 | 9/28/2010 | Agreement for Provision of Engineering Services, Project: Gardendale New Castle Park Improvements, Project ID: CD09-03F-UM04-GNP | \$0.00 |
| Hatch McDonald | 2320 Highland Avenue South Ste. 175 | Birmingham | AL | 35233 | 8/23/2011 | Agreement for Provision of Engineering Services, Project: Murphree Road Improvements, Project ID: CDBG10-03K-U04-MRI | \$3,686.50 |
| Hatch McDonald | 2320 Highland Avenue South Ste. 175 | Birmingham | AL | 35233 | 9/27/2011 | Agreement for Provision of Engineering Services, Project: Crest Oval Mountain West Highland Water Line, Project ID: CDBG10-03J-U02-WHL | \$10,308.65 |
| Thompson Architecture | 1314 Cobb Lane | Birmingham | AL | 35205 | 6/29/2010 | Abbreviated Standard Form of Agreement between Owner and Architect | \$1,200.00 |
| YWCA | 309 North 23rd Street | Birmingham | AL | 35203 | 5/25/2010 | Safe Havens: Supervised Visitation and Safe Exchange Grant Program Agreement | \$37,112.92 |

| Name of Creditor | Creditor's Mailing Address | City | State | Zip Code | Contract Date | Contract Name | Cure Payment |
|--|---|-------------|-------|----------|---------------|--|--------------|
| PUBLIC FINANCE AGREEMENTS | | | | | | | |
| Beneficial Owners of the Jefferson County, Alabama General Obligation Capital Improvement and Refunding Warrants Series 2003-A | N/A | N/A | N/A | N/A | 3/1/2003 | Continuing Disclosure Agreement | \$0.00 |
| Board of Education of Jefferson County | 2100 18th Street South | Birmingham | AL | 35209 | 7/1/2001 | Lease Agreement | \$0.00 |
| Holder of Limited Obligation School Warrants, Series 2004-A | Charles S. Hodges Vice President U.S. Bank Corporate Trust Services 214 North Tryon Street, 27th Floor | Charlotte | NC | 28202 | 12/29/2004 | Disclosure Dissemination Agent Agreement | \$0.00 |
| Holder of Limited Obligation School Warrants, Series 2005-A | Charles S. Hodges Vice President U.S. Bank Corporate Trust Services 214 North Tryon Street, 27th Floor | Charlotte | NC | 28202 | 2/2/2005 | Disclosure Dissemination Agent Agreement | \$0.00 |
| Holder of Lease Revenue Warrants, Series 2006 | First Commercial Bank Attn: Dean Matthews P. O. Box 11746 | Birmingham | AL | 35202 | 12/29/2004 | Disclosure Dissemination Agent Agreement | \$0.00 |
| PROFESSIONAL SERVICE AGREEMENTS | | | | | | | |
| Balch & Bingham LLP | 1901 Sixth Avenue North, Suite 1500 | Birmingham | AL | 35203 | 2/6/2008 | Letter of Engagement | \$0.00 |
| Bradley Arant Boult Cummings LLP | 1819 Fifth Avenue North | Birmingham | AL | 35203 | 2/26/2008 | Letter of Engagement | \$0.00 |
| Bradley Arant Boult Cummings LLP | 1819 Fifth Avenue North | Birmingham | AL | 35203 | 11/24/2009 | Letter of Engagement | \$0.00 |
| ERS Group | c/o Janet R. Thornton, Ph.D. 4901 Tower Court | Tallahassee | FL | 32303 | 7/25/2006 | Letter of Engagement | \$0.00 |
| Klee, Tuchin, Bogdanoff & Stern LLP | 1999 Avenue of the Stars, 39th Floor | Los Angeles | CA | 90067 | 7/23/2011 | Retention Agreement | \$0.00 |

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

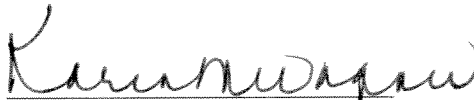
In re:)
)
JEFFERSON COUNTY, ALABAMA, a) Case No. 11-05736-TBB
political subdivision of the State of)
Alabama,) Chapter 9
Debtor.)
)
_____)

AFFIDAVIT OF SERVICE (REDACTED)

I, Karen M. Wagner, a non-attorney, certify that on September 16, 2013, I caused to be served the following document via First-Class Mail upon the service lists attached hereto as **Exhibits A, B and C**, which have been redacted in accordance with the Court's Final Order Granting Debtor's Motion Pursuant to 11 U.S.C. §§105 and 107(c) for Entry of an Order on an Expedited Basis Restricting Access to Information about Certain Individual Creditors [**Docket No. 915**]:

- Notice of (I) Approval of Disclosure Statement, (II) Confirmation Hearing On Chapter 9 Plan of Adjustment, and (III) Procedures and Deadlines Regarding Confirmation of The Plan, a copy of which is attached hereto as **Exhibit D**

Dated: September 16, 2013

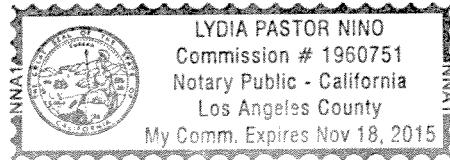
By: 
Kurtzman Carson Consultants LLC
Claims and Noticing Agent
2335 Alaska Avenue
El Segundo, CA 90245
Telephone: (310) 823-9000

State of California, County of Los Angeles

Subscribed and sworn to before me on September 16, 2013, by Karen M. Wagner, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

WITNESS my hand and official seal.

Signature: 
Notary Public



C.402



110573613091800000000002

Exhibit A

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit B

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit C

CONFIDENTIAL INDIVIDUAL CREDITORS

**FILED UNDER SEAL PURSUANT TO ORDER
ENTERED APRIL 16, 2012**

[Docket No. 915]

Exhibit D

**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. |) | |

**NOTICE OF (I) APPROVAL OF DISCLOSURE STATEMENT, (II) CONFIRMATION
HEARING ON CHAPTER 9 PLAN OF ADJUSTMENT, AND (III) PROCEDURES AND
DEADLINES REGARDING CONFIRMATION OF THE PLAN**

PLEASE TAKE NOTICE THAT:

1. **Approval of Disclosure Statement.** By order dated August 7, 2013, the United States Bankruptcy Court for the Northern District of Alabama, Southern Division (the “Bankruptcy Court”) approved the *Disclosure Statement Regarding Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time, the “Disclosure Statement”), filed by Jefferson County, Alabama (the “County”), and authorized the County to solicit votes with respect to the approval or rejection of the *Chapter 9 Plan of Adjustment for Jefferson County, Alabama (Dated July 29, 2013)* (as it may be amended, supplemented, or modified from time to time by the County in accordance with the terms thereof and Bankruptcy Code section 942, the “Plan”).¹

2. **Confirmation Hearing.** A HEARING (THE “**CONFIRMATION HEARING**”) TO CONSIDER CONFIRMATION OF THE PLAN WILL BE HELD ON NOVEMBER 12, 2013 AT 9:00 A.M. (PREVAILING CENTRAL TIME), BEFORE THE HONORABLE THOMAS B. BENNETT, UNITED STATES BANKRUPTCY JUDGE, IN THE BANKRUPTCY COURT, ROBERT S. VANCE FEDERAL BUILDING, 1800 5TH AVENUE NORTH, BIRMINGHAM, ALABAMA 35203.

The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the County in open court of the adjourned date(s) at the Confirmation Hearing or any continued hearing, and the Plan may be amended, supplemented, or modified, if necessary, prior to, during, or as a result of the Confirmation Hearing in accordance with the terms of the Plan and Bankruptcy Code section 942, without further notice to interested parties.

3. **Objections to the Plan.** Objections, if any, to the confirmation of the Plan must (i) be in writing; (ii) be in the English language; (iii) state the name and address of the objecting party and the amount and nature of the claim or interest of such party; (iv) state with particularity the basis and nature of any objection to the Plan; (v) include any evidence in support of any objection; and (vi) be filed, together with proof of service, with the Bankruptcy Court and served on the County and all parties on the Master Service List, as that term is defined in the *Order*

¹ All capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Plan.

Approving Motion to Establish Notice, Service, and Case Management Procedures Pursuant to Sections 102(1)(A) and 105 of the Bankruptcy Code, and Bankruptcy Rule 2002(m) [Docket No. 89], as such Master Service List is filed from time to time in the Case and available at <http://www.jeffersoncountyrestructuring.com> through the link to “Master Service List” (collectively, the “Master Service List Parties”), so that they are actually received no later than **October 7, 2013 at 4:00 p.m. (prevailing Central time)**.

IF ANY OBJECTION TO CONFIRMATION OF THE PLAN IS NOT FILED AND SERVED STRICTLY AS PRESCRIBED HEREIN, THE OBJECTING PARTY WILL BE BARRED FROM OBJECTING TO CONFIRMATION OF THE PLAN AND WILL NOT BE HEARD AT THE CONFIRMATION HEARING.

4. **Additional Information.** Any party in interest wishing to obtain copies of the Plan or Disclosure Statement contact the County’s Claims and Noticing Agent and Ballot Tabulator, Kurtzman Carson Consultants LLC (“KCC”), at <http://www.jeffersoncountyrestructuring.com>. In addition, copies of the Disclosure Statement and Plan are available upon request by contacting KCC at Jefferson County Ballot Processing, c/o Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, CA 90245 or by telephone at (866) 967-0677. Copies of the Plan and the Disclosure Statement are also available for review and download at the Bankruptcy Court’s website, www.alnb.uscourts.gov. Alternatively, these documents may be accessed through the Bankruptcy Court’s “PACER” website, <https://ecf.alnb.uscourts.gov>. A PACER password and login are needed to access documents on the Court’s “PACER” website. A PACER password can be obtained at <http://www.pacer.gov>.

5. **Releases and Injunction Language in the Plan.** As set forth in Sections 6.2 and 6.3 of the Plan, the Plan provides for, among others, the following releases and injunctions:

Section 6.2. Discharge and Injunctions.

The rights afforded in the Plan and the treatment of all Claims by the Plan shall be in exchange for and in complete settlement, satisfaction, discharge, and release of, and injunction against, all Claims of any nature whatsoever arising prior to the Effective Date against the County or its property, including any interest accrued on such Claims from and after the Petition Date.

Except as otherwise provided in the Plan or the Confirmation Order, on the Effective Date, (a) the County and its property are discharged and released to the fullest extent permitted by Bankruptcy Code section 944(b) from all Claims and rights that arose before the Effective Date, including all debts, obligations, demands, and liabilities, and all debts of the kind specified in Bankruptcy Code sections 502(g), 502(h), or 502(i), regardless whether (i) a proof of Claim based on such debt is Filed or deemed Filed, (ii) a Claim based on such debt is allowed pursuant to Bankruptcy Code section 502, or (iii) the holder of a Claim based on such debt has or has not accepted the Plan; (b) any judgment underlying a Claim discharged hereunder is void; and (c) all Persons are precluded from asserting against the County or its property, whether directly or on behalf of the County, any Claims or rights based on any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date.

Except as otherwise provided in the Plan or the Confirmation Order, on and after the Effective Date, all Persons who have held, currently hold, or may hold a Claim

that is based on any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Effective Date, that otherwise arose or accrued prior to the Effective Date, or that otherwise is discharged pursuant to the Plan, are permanently and completely enjoined from taking any of the following actions on account of any such discharged Claim (the “Permanent Injunction”): (a) commencing, conducting, or continuing in any manner any suit, action, or other proceeding of any kind against or affecting the County, its property, its obligations, or any of its Related Parties that is inconsistent with the Plan or the Confirmation Order; (b) attaching, collecting, enforcing, levying, or otherwise recovering in any manner any award, decree, judgment, or order against or affecting the County, its property, its obligations, or any of its Related Parties other than as expressly permitted under the Plan; (c) creating, perfecting, or otherwise enforcing in any manner any lien or encumbrance of any kind against or affecting property of the County, other than as expressly permitted under the Plan; (d) asserting any right of recoupment, setoff, or subrogation of any kind against any obligation due to the County with respect to any such discharged Claim, except as otherwise permitted by Bankruptcy Code section 553; (e) acting or proceeding in any manner, in any place whatsoever, that does not comply with or is inconsistent with the provisions of the Plan, the Confirmation Order, or the discharge provisions of Bankruptcy Code section 944; and (f) taking any actions to interfere with the implementation or consummation of the Plan. The County and any other Person injured by any willful violation of the Permanent Injunction shall recover actual damages, including costs, expenses, and attorneys’ fees, and, in appropriate circumstances, may recover punitive damages, from the willful violator.

Except as otherwise provided in the Plan, all injunctions or stays in effect in the Case under Bankruptcy Code sections 105, 362(a), or 922(a), or otherwise, on the Confirmation Date shall remain in full force and effect through and including the Effective Date.

Section 6.3. 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) Necessity and Approval of Releases and Injunctions.

The releases and injunctions set forth in this Section 6.3 are integral and critical parts of the Plan and the settlements implemented pursuant to the Plan, the approval of such releases pursuant to the Confirmation Order is a condition to the occurrence of the Effective Date, and all Sewer Released Parties have relied on the efficacy and conclusive effects of such releases and injunctions and on the Bankruptcy Court's retention of jurisdiction to enforce such releases and injunctions when making concessions pursuant to the Plan and by agreeing to, accepting, and supporting the settlement and treatment of their respective Claims, Causes of Action, and other rights under the Plan.

Pursuant to Bankruptcy Code sections 1123(a)(5), 1123(b)(3), and 1123(b)(6), as well as Bankruptcy Rule 9019, entry of the Confirmation Order shall constitute the Bankruptcy Court's approval of the releases and injunctions set forth in this Section 6.3, which includes by reference each of the related provisions and definitions contained in the Plan, and further, shall constitute the Bankruptcy Court's finding that such releases and injunctions are: (1) in exchange for the good and valuable consideration provided by the Sewer Released Parties and their respective Related Parties; (2) a good faith settlement and compromise of the Claims and Causes of Action released by such releases; (3) in the best interests of the County and all Creditors; (4) fair, equitable, and reasonable; (5) given and made after due notice and opportunity for hearing; and (6) a bar to any of the releasing parties as set forth herein asserting any Claims or Causes of Action released pursuant to such release.

6. **Validation of the New Sewer Warrants, the Approved Rate Structure, and the Allowance of Sewer Debt Claims.** As set forth in Sections 5.10, 5.11, and 5.12 of the Plan, the Plan provides for the Bankruptcy Court to make binding judicial determinations and validations of the New Sewer Warrants to be issued under the Plan, of the associated Approved Rate Structure and Rate Resolution, and of the allowance of certain Sewer Debt Claims under the Plan. More specifically,

- Section 5.10 of the Plan provides that, pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6), from and after the Effective Date, confirmation of the Plan

shall be a binding judicial determination that the New Sewer Warrants, the New Sewer Warrant Indenture, the Rate Resolution, and the covenants made by the County for the benefit of the holders thereof (including the revenue and rate covenants in the New Sewer Warrant Indenture) will constitute valid, binding, legal, and enforceable obligations of the County under Alabama law and that the provisions made to pay or secure payment of such obligations are valid, binding, legal, and enforceable security interests or liens on or pledges of revenues, which validation will be set forth in the Confirmation Order in substantially the form set forth in the Plan.

- Section 5.11 of the Plan provides that, pursuant to Bankruptcy Code sections 944(a), 944(b)(3), 105(a), and 1123(b)(6), from and after the Effective Date, the Confirmation Order shall be a binding judicial determination that (i) the Approved Rate Structure is a valid provision made to pay or secure payment of the New Sewer Warrants and is appropriate, reasonable, non-discriminatory, and legally binding on and specifically enforceable against the County, in accordance with the Plan and under applicable law; and (ii) the County Commission shall adopt and maintain the Approved Rate Structure in accordance with the Rate Resolution and as necessary for the County to satisfy the obligations arising under the New Sewer Warrants and the New Sewer Warrant Indenture (and to otherwise comply with all applicable state and federal laws regarding the maintenance and operation of the Sewer System), including increases in sewer rates to the extent necessary to allow the timely satisfaction of the County's obligations under the New Sewer Warrants and the New Sewer Warrant Indenture (and to otherwise comply with all applicable state and federal laws regarding the maintenance and operation of the Sewer System). Without limitation, from and after the Effective Date, (a) the Confirmation Order shall constitute a consent decree binding upon, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan; (b) the validity and enforceability of the Approved Rate Structure and the Rate Resolution shall not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date; and (c) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the Approved Rate Structure and the Rate Resolution, to require the County to otherwise comply with the New Sewer Warrants and the New Sewer Warrant Indenture, and to hear and adjudicate any action or proceeding enforcing, challenging, or collaterally attacking the Approved Rate Structure or the Rate Resolution.

- Section 5.12 of the Plan provides that confirmation of the Plan shall be a binding judicial determination that the allowance on the Effective Date of Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D is appropriate and binding on, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan, because, among other things, the allowance of such Claims, along with treatment of those Allowed Claims under the Plan, is a necessary predicate to the issuance of the New Sewer Warrants. This validation under the Plan will be full, final, complete, binding, and conclusive as to the County and all Persons, including all Persons that could assert or purport to assert any rights by or on behalf of the County. Accordingly, the validity and enforceability of the allowance of the Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D along with the treatment of those Allowed Claims under the Plan, shall (i) moot any pending Causes of Action challenging the validity or enforceability of the Sewer Warrants or the issuance thereof, payments of principal and interest made in respect of the Sewer Warrants, or any Sewer System rates or charges established or collected by the County in connection with the issuance or the payment of debt service in respect of the Sewer Warrants, or seeking the return to the County of any payment made by the County in connection with the Sewer Warrants or any financing or

other transaction regarding the Sewer System; and (ii) not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date.

Each of these judicial determinations and validations under the Plan will be full, final, complete, binding, and conclusive as to the County and all Persons, including all Persons that could assert or purport to assert any rights by or on behalf of the County. Accordingly, and without limitation, (a) the Confirmation Order shall constitute a consent decree binding upon, specifically enforceable against, and a basis for mandamus against the County, the County Commission, and all other Persons in accordance with the Plan; (b) the validity and enforceability of the Approved Rate Structure, the Rate Resolution, the New Sewer Warrants, the New Sewer Warrant Indenture, the covenants made by the County for the benefit of the holders of the New Sewer Warrants (including the revenue and rate covenants in the New Sewer Warrant Indenture), the allowance of the Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D and the treatment of those Allowed Claims under the Plan shall not be subject to any collateral attack or other challenge by any Person in any court or other forum from and after the Effective Date; and (c) the Bankruptcy Court shall retain exclusive jurisdiction to enforce the Approved Rate Structure and the Rate Resolution, to require the County to otherwise comply with the New Sewer Warrants and the New Sewer Warrant Indenture, and to hear and adjudicate any action or proceeding enforcing, challenging, or collaterally attacking the Approved Rate Structure or the Rate Resolution and/or the allowance of the Allowed Claims in Class 1-A, Class 1-B, Class 1-C, and Class 1-D, along with the treatment of those Allowed Claims under the Plan.

DATED: September 16, 2013